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DB=PGPB,USPT,USOC,EPAB,JPAB,DWPI,TDBD; PLUR=YES; OP=OR

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DB=USPT; PLUR=YES; OP=OR

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<u>L4</u>	L3 and (website or web adj site or home adj page or homepage)	124	<u>L4</u>
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L45: Entry 5 of 21

File: JPAB

Sep 24, 1999

PUB-NO: JP411259572A

DOCUMENT-IDENTIFIER: JP 11259572 A

TITLE: RETIREMENT PLANNING SUPPORTING SYSTEM

PUBN-DATE: September 24, 1999

INVENTOR-INFORMATION:

NAME

COUNTRY

UBUKATA, KEIICHIRO

OOHANA, TOMOHIRO

HARADA, MAI

ASSIGNEE-INFORMATION:

NAME

COUNTRY

NRI & NCC CO LTD

APPL-NO: JP10063183

APPL-DATE: March 13, 1998

INT-CL (IPC): G06 F 17/60; G06 F 17/30

ABSTRACT:

PROBLEM TO BE SOLVED: To provide a retirement planning supporting system for making a user able to try retirement planning by himself/herself, simultaneously obtaining user information and presenting the model case of life design after retirement matched with the request of the user.

SOLUTION: This system is provided with a server 4 for supporting the preparation of a retirement plan by the user through a data communication channel, a reserving amount calculation means 5 for inputting data for reserving amount calculation from the server 4 and calculating a reserving amount, a user information data base 6 for storing and managing the user information inputted by the user and a model case preparation means 7 for preparing the model case of the retirement planning by using the data of the user information data base 6. Then, the server 4 makes the model case preparation means 7 calculate the model case of the retirement planning matched with prescribed conditions in supporting the preparation of the retirement plan and presents it to the user.

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L13: Entry 108 of 110

File: USPT

May 16, 2000

DOCUMENT-IDENTIFIER: US 6064986 A

TITLE: Computer assisted and/or implemented process and architecture for customer account creation, maintenance and administration for an investment and/or retirement program

Abstract Text (1):

A computer program product, system or process administer or assist in the administration of resources of a customer for the benefit of a beneficiary. The process includes receiving a request from the customer to administer the resources in accordance with predetermined criteria, and storing customer related data associated with the customer. A network of service providers is formed to assist in the administration of the resources for the customer and provide a variety of economic and/or administrative features and benefits, using a computer.

Brief Summary Text (2):

The present invention generally relates to a computer assisted and/or implemented process and architecture for customer account creation, maintenance and administration for an investment and/or retirement program, and more particularly, to a computer assisted and/or implemented process and architecture for customer account creation, maintenance and administration for an investment and/or retirement program, using a service provider network providing various streamlined, efficiently organized or administered and/or discounted services in support thereof.

Brief Summary Text (5):

Retirees generally have three primary sources of income: pensions, savings they have accumulated in their company retirement plans, and Social Security.

Brief Summary Text (8):

All retirement plans--whether individual or company-sponsored--offer two major benefits:

Brief Summary Text (11):

An IRA is the most common type of retirement plan. These are maintained individually rather than in groups. With any retirement plan, the applicant knows how much money is being placed into the plan, but has no

Brief Summary Text (12):

idea how much the plan will be worth when you retire. Thus, retirement plans are technically known as defined contribution plans, and they are the exact opposite of defined benefit plans, where the result is known but the amount that needs to be contributed is not.

Brief Summary Text (13):

Like all retirement plans, including those established by companies for their employees, the applicant does not pay taxes on any of the money that is contributed to the IRA until the applicant begins making withdrawals, and any interest, dividends, or capital gains that accumulate in the plan also are tax-deferred until withdrawal.

Brief Summary Text (14):

Company retirement plans generally involve either a Simplified Employee Pension Plan or the 401(k) plan.

Brief Summary Text (15):

If the applicant has any self-employment income, from baby-sitting to shooting wedding videos, the applicant may qualify for a Simplified Employee Pension Plan, known as a SEP-IRA. SEPs are as easy to use as IRAs and almost identical as well. But they offer one major advantage over IRAs: instead of being limited currently to a \$2,000 annual deductible contribution, the applicant can put away 15% of self-employment income, currently up to \$22,500. The applicant is permitted to do this even if the applicant or the applicant's spouse participate in another pension or retirement plan.

Brief Summary Text (18):

The 401(k) plan--so-named by the tax code section that created it--is offered by more companies than any other type of retirement plan. There are generally four contribution methods for 401(k) plans.

Brief Summary Text (30):

Even though Social Security, pensions and retirement plans are available to many workers, they are not enough to satisfy retirement income needs. Yet many workers who are covered by these programs often have terrible personal savings records. Many are in for a shock when they discover at retirement that their retirement income is a fraction of their pre-retirement pay.

Brief Summary Text (32):

The retirement situation is even worse for higher-paid workers. If final pay is \$150,000, pensions and Social Security together will replace only 36% of the income. A whopping 61% of income will be lost at retirement! FIG. 2 is an illustration of a typical retirement benefit when the final pay is \$150,000. If one thinks that this is not a problem because earnings are not anywhere near \$100,000, think again: if income with spouse is jointly earned at \$50,000 today, a mere 4% annual pay increase over the next 20 years will place income about \$100,000, as illustrated in FIG. 3. So, as important as it is to participate in a company retirement plan, more still needs to be saved.

Brief Summary Text (34):

For example, one significant cost that is generally not covered by retirement programs is the cost of college for children that enter college after their parents have retired. The cost of college is so significant, that different types of investment programs have emerged to fund the cost of college. These investment programs are designed to fund the cost of college based on long term savings.

Brief Summary Text (59):

In addition, the Roberts and Roberts et al. patents do not solve the problem of implementing a program designed specifically for managing and/or administering retirement and/or investment resources. Further, the Roberts and Roberts et al. patents do not solve the problem of ensuring that the retirement and/or investment resources are not prematurely diverted, thereby compromising or jeopardizing the administration of retirement and/or investment resources.

Brief Summary Text (60):

The Roberts and Roberts et al. patents also do not solve the problem of tracking the performance of the retirement and/or investment resources, while also managing reports on the performance of the retirement and/or investment resources, in a distributed data base environment. The Roberts and Roberts et al. patents also do not solve the problem of tracking the performance of resources, while also managing reports on the performance of the resources, in a distributed computing environment, such as over the internet and/or intranet and/or private networks.

Brief Summary Text (61):

In addition, the Roberts and Roberts et al. patents do not employ a network of service providers to reduce costs for the customer. The Roberts and Roberts et al. patents further do not address the process of opening a customer account in an efficient and practical manner to facilitate the customer account opening process. The Roberts and Roberts et al. patents also do not address the process of managing and/or administering a customer account for administration of retirement and/or investment resources in a manner that efficiently and practically facilitates the customer account management and/or administration process therefor. The Roberts and Roberts et al. patents also do not address the process of, opening, managing and/or administering a customer account for administration of retirement and/or investment resources in conjunction with a network of service providers, thus reducing costs and optimizing or maximizing retirement and/or investment resources while attempting to minimize administration costs.

Brief Summary Text (62):

Accordingly, it is desirable to administer and/or manage a program that attempts to optimize or maximize retirement and/or investment resources. It is also desirable to implement a program designed specifically for managing and/or administering retirement and/or investment resources. It is also desirable to ensure that the retirement and/or investment resources are not prematurely diverted, thereby compromising or jeopardizing the administration of retirement and/or investment resources.

Brief Summary Text (63):

It is further desirable to track the performance of the retirement and/or investment resources, while also managing reports on the performance of the retirement and/or investment resources, in a distributed data base environment. It is also desirable to track the performance of resources, while also managing reports on the performance of the resources, in a distributed computing environment, such as over the internet and/or intranet and/or private networks. It is also desirable to include a network of service providers to reduce costs and optimize or maximize retirement and/or investment resources for the customer.

Brief Summary Text (65):

It is also desirable to provide a process of, opening, managing and/or administering a customer account for administration of retirement and/or investment resources in conjunction with a predetermined configuration of network of service providers, thus reducing costs and optimizing or maximizing retirement and/or investment resources while attempting to minimize administration costs.

Brief Summary Text (68):

It is another feature and advantage of the present invention to implement a program designed specifically for managing and/or administering retirement and/or investment resources.

Brief Summary Text (71):

It is another feature and advantage of the present invention to track the performance of resources, while also managing reports on the performance of the resources, in a distributed computing environment, such as over the internet and/or intranet and/or private networks.

Brief Summary Text (72):

It is another feature and advantage of the present invention to employ a network of service providers, thus reducing costs and optimizing or maximizing retirement and/or investment resources.

Brief Summary Text (75):

It is another feature and advantage of the present invention in providing a process

of, opening, managing and/or administering a customer account for administration of retirement and/or investment resources in conjunction with a predetermined configuration of network of service providers, thus reducing costs and optimizing or maximizing retirement and/or investment resources while attempting to minimize administration costs.

Brief Summary Text (79):

In addition, I have discovered that retirement and/or investment resources can be maximized when service providers (e.g., trustees, financial advisors, and attorneys) are encouraged to enroll in a network, and customers are substantially simultaneously encouraged to use service providers that are enrolled in the network.

Brief Summary Text (84):

In accordance with another embodiment of the invention, a computer program product stores computer structures thereon for instructing a computer to perform a process of administering of assisting in the administration of resources of a customer for the benefit of a beneficiary. The program product includes a reporting medium readable by the computer, and computer instructions stored thereon instructing the computer to perform the process. The instructions and process include establishing, by the user, a network of approved attorneys who enroll in the network by paying an enrollment fee. The instructions and process may also optionally include employing and/or establishing, by the user, a network of trustees and/or financial advisors.

Brief Summary Text (86):

The instructions and process also include optionally selecting, by the user, an investment advisor and a trustee. If the customer does not select a trustee, an investment advisor or trustee, the user may refer an investment advisor or trustee that is employed by the user or enrolled in the network to the customer. The instructions and process also include optionally receiving or acknowledging, by the user with the assistance of the computer, receipt of the resources from the customer, and entering the resources into the computer for administration.

Brief Summary Text (90):

In accordance with another embodiment of the invention, a computer implemented process instructs, administers or assists in a program for the administration of resources of a customer for the benefit of a beneficiary. The process includes one of the sequential, non-sequential and sequence independent steps of establishing, by a first company, a network of a plurality of approved providers; submitting, by at least one of the approved providers to the first company, an application and an optional fee to join the network of approved providers; and providing, by the first company to at least one of the approved providers, a specimen trust agreement. The process also includes the steps of delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company administering an annuity contract to a potential customer; and delivering, by the potential customer to the first company, the application, an initial investment, and an optional fee for the first company. The process also includes the steps of forwarding the application to at least one approved provider to initiate the administering or the assisting in the administration of the resources of the potential customer for the benefit of the beneficiary, and preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer. The process further includes the steps of transmitting a copy of the trust application executed by the potential customer, transmitting a copy of the investment application, executed by the potential customer, and any additional authorizations, and instructing the first company to proceed with the investment of the resources as directed by the potential customer. The process further includes the step of forwarding, by the first company, the executed trust and investment applications, the application and the specimen trust agreement to at least one approved provider, with instructions to open a customer account for the potential

customer.

Brief Summary Text (94):

As such, those skilled in the art will appreciate that the conception, upon which this disclosure is based, may readily be utilized as a basis for the designing of other structures, methods and systems for carrying out the several purposes of the present invention. It is important, therefore, that the claims be regarded as including such equivalent constructions insofar as they do not depart from the spirit and scope of the present invention.

Drawing Description Text (10):

FIG. 14 is a flowchart that illustrates the optional service provider network element of the computer-assisted and/or implemented process for managing and/or administering retirement and/or investment resources;

Drawing Description Text (21):

FIG. 27 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a first embodiment;

Drawing Description Text (22):

FIG. 28 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a second embodiment;

Drawing Description Text (23):

FIG. 29 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a third embodiment; and

Drawing Description Text (24):

FIG. 30 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a fourth embodiment.

Detailed Description Text (2):

The detailed descriptions which follow may be presented in terms of program procedures executed on a computer or network of computers. These procedural descriptions and representations are the means used by those skilled in the art to most effectively convey the substance of their work to others skilled in the art.

Detailed Description Text (8):

The computer assisted and/or implemented process and architecture of the present invention administers an investment and/or retirement program. The goal of the program is to maximize the investment and investment performance, and to minimize government obligations (e.g., taxes) associated therewith. The program is designed specifically for managing and/or administering retirement and/or investment resources. The program also ensures that the retirement and/or investment resources are not prematurely diverted. The reason why it is so important that investment resources not be diverted is that it compromises or jeopardizes the likelihood of maximizing the investment and investment resources, as is discussed below in greater detail.

Detailed Description Text (9):

The computer assisted and/or implemented process and architecture tracks the performance of the retirement and/or investment resources, while also managing reports on the performance of the retirement and/or investment resources, in a distributed data base environment. The distributed data base environment may be, for example, over the internet, intranet and/or other private networks. The distributed data base environment may also be, for example, over hard wired lines,

modem connections, and the like.

Detailed Description Text (13):

The computer assisted and/or implemented process, architecture and program provides additional unexpected benefit when administered and combined with the feature of an integrated attorney, trustee, and financial advisor network.

Detailed Description Text (62):

As discussed above, the assets or resources may be distributed at a specific age, such as at an age where withdrawal of resources does not incur a tax penalty. In addition, or in the alternative, the resources may be distributed at the death of the customer, at the death of the beneficiary, and the like. Further, funds may be distributed to the beneficiary after the resources reach a predetermined level, or on the request of the customer, beneficiary, or trustee. In the alternative to distributing the resources after one or more of the above predetermined events have occurred to one or more of the above recipients, the resources may be reinvested and a new customer, beneficiary, trustee, and the like, may be designated.

Detailed Description Text (63):

In addition, the customer may also have the option of how much information is to be disclosed to the beneficiary, or the beneficiary may receive notices on a regular basis, as described in detail above. The customer may also have the ability to restrict the distribution, predesignate the form of the distribution, and the like. For example, the customer may designate the beneficiary receive a lump sum, distribution over a life expectancy, a combination of both, and the like.

Detailed Description Text (64):

FIG. 14 is a flowchart that illustrates the optional service provider network element of the computer-assisted and/or implemented process for managing and/or administering retirement and/or investment resources.

Detailed Description Text (65):

In FIG. 14, the user initiates the process by establishing, with the assistance of a computer, an attorney referral network in Step S101. To join the network, an attorney, practice group, law firm, and/or other practitioner (hereinafter user), for example, completes a form and pays an enrollment fee to the user in Step S102. Other or different enrollment requirements may alternatively be used. The user then enrolls the attorney or other authorized practitioner (hereinafter practitioner or attorney) in the network in Step S103, and optionally provides the attorney with one or more specimen trust agreements in Step S104.

Detailed Description Text (66):

Steps S102 through S104 may be repeated for an unlimited number of attorneys in order to establish the attorney referral network. When a customer contacts the user with a request to, for example, open an account to manage investment and/or retirement resources therein, the user provides the customer with a list of attorneys or other authorized practitioners that are enrolled in the network in Step S105. The list may be a complete list of all attorneys in the network, or it may optionally be a list of attorneys in the user's geographic area, or it may be a list based on other criteria. Alternatively, the list of practitioners may be transmitted to the customer automatically or may have been previously submitted to the customer.

Detailed Description Text (67):

In Step S105, the user optionally provides the customer with a coupon which the customer can use to pay all or part of the fee of any attorney or practitioner enrolled in the network. The customer then selects an attorney in Step S106. If the attorney is an attorney within the network, in Step S108 the attorney will optionally accept the coupon for all or part of the attorney's fee in preparing a trust agreement. The attorney prepares a trust agreement for the user in Step S109,

using the specimen trust agreement which the user provided to the attorney as a form document in Step S104. If the customer's attorney is not within the network, the customer's attorney must enroll in the network or qualify for enrollment in or interaction with the network, in order to obtain the specimen trust agreement and accept the coupon. The attorney may then return the coupon to the user to receive payment of all, or part of, the attorney's fee in Step S110.

Detailed Description Text (68):

FIGS. 15-17 are illustrations of the steps that may be followed to initiate the process for managing and/or administering retirement and/or investment resources. The grantor contacts the user or manager and requests to enroll in the process or managing and/or administering retirement and/or investment resources in Step S112. The contact may be by telephone, electronic mail, ordinary mail, world-wide-web site, and the like.

Detailed Description Text (69):

Upon receipt of the enrollment form in Step S116 sent by the manager in Step S114, the user or manager, with the assistance of the computer, will provide the grantor with the names and contact information of some or all participating attorneys in the attorney network in Step S118. The user or manager may also optionally provide the grantor with a certificate which may be used to pay all or part of the attorney's fees at Step S120. However, the certificate, if used, will only be valid if the grantor selects an attorney who participates in the attorney network.

Detailed Description Text (70):

The grantor selects a provider in Step S122. If the grantor selects an attorney who is not part of the attorney network as determined in Step S124, in one embodiment of the invention, the attorney/provider must join the attorney network to obtain a copy of the specimen trust agreement at Step S126. Alternatively, any attorney may participate in the program of the present invention.

Detailed Description Text (79):

Further, each trust is designed to benefit only one beneficiary. The grantor is welcome to contribute different amounts for each beneficiary's trust. Of course, the older the beneficiary, the less time there is for assets of the trust to have the potential to grow on the beneficiary's behalf--and therefore, the older the beneficiary, the more the grantor might want to contribute.

Detailed Description Text (80):

Preferably, the trust is irrevocable. This means that once a grantor establishes the trust and makes a contribution to it on behalf of the beneficiary, the grantor cannot take the money back. However, the trustee and financial advisor can be replaced by the beneficiary (or, if said beneficiary is a minor, by his or her guardian). Because of the irrevocable nature of the trust, a grantor should consult with his or her attorney before establishing the trust. The trust is designed to secure the child's retirement. Therefore, the assets held by the trust are preferably not available to the beneficiary until he or she reaches retirement age. The grantor decides whether that age is 59 1/2 or some other age.

Detailed Description Text (81):

When the child reaches the age designated, as described above, the assets in the trust will be transferred from the trust to the beneficiary. If the assets are still invested in a variable annuity, the beneficiary will then have the option of continuing to defer taxes or of receiving the money in one lump sum, or in the form of a monthly income for the rest of his or her life, among other income options. The beneficiary's monthly income at retirement will depend on the value of the account at retirement, the account's annual return, and the beneficiary's life expectancy.

Detailed Description Text (85):

b) his name added to the Company A lawyer referral network.

Detailed Description Text (90):

a) the attorney they wish to use. If none is stated, Company A will refer the client to an attorney member of its referral network.

Detailed Description Text (106):

This combination of interrelated provider networks, or groups within one or more networks, provides significant management and/or administrative advantages in controlling, for example, quality in the overall administration process with the customer. In addition, this combination of interrelated provider networks, or groups within one or more networks, also provides significant cost advantages and/or savings for the plan administrator, and/or the customer if the savings are transferred totally or in part thereto.

Detailed Description Text (107):

It is important to note that the present method for administering retirement and/or investment resources is preferably designed to help solve the beneficiary's future retirement needs, and it is preferably not to be used for other financial concerns that may occur before then. Therefore, the money is preferably not available prior to the designated age of the beneficiary, as indicated in the trust agreement and on the enrollment form, which should be age 59 1/2 or older.

Detailed Description Text (108):

When the beneficiary reaches the age of distribution (designated by the Grantor), the trust assets will be distributed to the beneficiary. The beneficiary will have the option of receiving the proceeds in one lump sum, or as a series of monthly payments for the rest of his or her life, among other income options. Because no taxes are due on the money throughout the life of the trust, the beneficiary will incur income taxes at his or her tax rate when he or she receives the income in retirement or upon distribution. If the beneficiary dies before the age of distribution, the trustee will distribute the trust assets to the beneficiary's probate estate.

Detailed Description Text (121):

One important point about the trust is that it is designed to benefit only one beneficiary. That means if a grantor wants to give this gift of retirement security to more than one beneficiary, a separate trust must generally be created for each beneficiary. And a grantor can create as many trusts for as many beneficiaries as he or she likes. Of course, the present invention may also alternatively be used to create a single trust for the benefit of multiple beneficiaries, and vice versa, provided that the laws of the jurisdiction will still provide tax deferred treatment of such as trust.

Detailed Description Text (123):

FIG. 20 is an illustration of a main central processing unit for implementing the computer processing in accordance with a computer implemented embodiment of the present invention. The procedures described above may be presented in terms of program procedures executed on, for example, a computer or network of computers.

Detailed Description Text (124):

Viewed externally in FIG. 20, a computer system designated by reference numeral 40 has a central processing unit 42 having disk drives 44 and 46. Disk drive indications 44 and 46 are merely symbolic of a number of disk drives which might be accommodated by the computer system. Typically these would include a floppy disk drive such as 44, a hard disk drive (not shown externally) and a CD ROM indicated by slot 46. The number and type of drives varies, typically with different computer configurations. Disk drives 44 and 46 are in fact optional, and for space considerations, may easily be omitted from the computer system used in conjunction with the production process/apparatus described herein.

Detailed Description Text (131):

Although processing system 40 is illustrated having a single processor, a single hard disk drive and a single local memory, processing system 40 may suitably be equipped with any multitude or combination of processors or storage devices. Processing system 40 may, in point of fact, be replaced by, or combined with, any suitable processing system operative in accordance with the principles of the present invention, including sophisticated calculators, and hand-held, laptop/notebook, mini, mainframe and super computers, as well as processing system network combinations of the same.

Detailed Description Text (132):

Conventional processing system architecture is more fully discussed in Computer Organization and Architecture, by William Stallings, MacMillan Publishing Co. (3rd ed. 1993); conventional processing system network

Detailed Description Text (133):

design is more fully discussed in Data Network Design, by Darren L. Spohn, McGraw-Hill, Inc. (1993), and conventional data communications is more fully discussed in Data Communications Principles, by R. D. Gitlin, J. F. Hayes and S. B. Weinstein, Plenum Press (1992) and in The Irwin Handbook of Telecommunications, by James Harry Green, Irwin Professional Publishing (2nd ed. 1992). Each of the foregoing publications is incorporated herein by reference. Alternatively, the hardware configuration may be arranged according to the multiple instruction multiple data (MIMD) multiprocessor format for additional computing efficiency. The details of this form of computer architecture are disclosed in greater detail in, for example, U.S. Pat. No. 5,163,131; Boxer, A., Where Buses Cannot Go, IEEE Spectrum, February 1995, pp. 41-45; and Barroso, L. A. et al., RPM: A Rapid Prototyping Engine for Multiprocessor Systems, IEEE Computer February 1995, pp. 26-34, all of which are incorporated herein by reference.

Detailed Description Text (135):

FIG. 24 is an illustration of the functional operation of the main central processing system illustrated in FIGS. 20-23. In FIG. 24, main central processing unit 40 interfaces with various external databases 85-88 to obtain the necessary information for tracking the performance of the resources. Main central processing unit 40 may be hardwired or directly connected to databases 85-88, or alternatively, access databases 85-88 via a private and/or public network 89.

Detailed Description Text (151):

FIG. 27 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a first embodiment. In FIG. 27, to preserve POTS and to prevent a fault in the ADSL equipment 254, 256 from compromising analog voice traffic 226, 296 the voice part of the spectrum (the lowest 4 kHz) is separated from the rest by a passive filter, called a POTS splitter 258, 260. The rest of the available bandwidth--from about 10 kHz to 1 MHz--carries data at rates up to 6 bits per second for every hertz of bandwidth from data equipment 262, 264, 294. The ADSL equipment 256 then has access to a number of destinations including significantly the Internet 268, and other destinations 270, 272.

Detailed Description Text (153):

Cable television providers are providing analogous Internet service to PC users over their TV cable systems by means of special cable modems. Such modems are capable of transmitting up to 30 Mb/s over hybrid fiber/coax systems, which use fiber to bring signals to a neighborhood and coax to distribute it to individual subscribers.

Detailed Description Text (155):

The internet architecture 220 and ADSL architecture 354, 356 may also be combined

with, for example, user networks 222, 224, and 228. As illustrated in this first embodiment, users may access or use or participate in the administration, management computer assisted program in computer 40 via various different access methods. In this first embodiment, the various databases are only accessible via access to and/or by computer system 40.

Detailed Description Text (156):

FIG. 28 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a second embodiment. As illustrated in this second embodiment, users may access or use or participate in the administration, management computer assisted program in computer 40 via various different access methods. In this second embodiment, some databases (e.g., 87, 88) are only accessible via access to and/or by computer system 40, and other databases (e.g., 85, 86) are only accessible via access to and/or by internet 220.

Detailed Description Text (157):

FIG. 29 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a third embodiment. As illustrated in this third embodiment, users may access or use or participate in the administration, management computer assisted program in computer 40 via various different access methods. In this third embodiment, the databases (e.g., 85, 86, 87 and/or 88) are only accessible via access to and/or by internet 220.

Detailed Description Text (158):

FIG. 30 is an illustration of the architecture of the combined internet, POTS, and ADSL architecture for use in the present invention in accordance with a fourth embodiment. As illustrated in this fourth embodiment, users may access or use or participate in the administration, management computer assisted program in computer 40 via various different access methods. In this fourth embodiment, some databases (e.g., 87, 88) are only accessible via access to and/or by ADSL system 256 via interface network 270, and other databases (e.g., 85, 86) are only accessible via access to and/or by internet 220.

Detailed Description Text (161):

Appended to this application are exemplary materials which can be used with or generated by the present inventive computer-assisted and/or implemented process for administering investment and/or retirement resources. Appendix A illustrates an exemplary letter that the user may send to the grantor if the grantor wishes to enroll in a program using the computer-assisted and/or implemented process for administering retirement and/or investment resources. Appendix B is a form that explains the steps which the grantor may take to enroll in the program. Appendix C illustrates an exemplary letter that the user may provide to an attorney to invite the attorney to join the attorney network. Appendix D is a form that explains the steps which an attorney may take to enroll in the attorney network. Appendix E is an exemplary agreement between the user and an attorney who enrolls in the attorney network. Finally, Appendix F is an exemplary letter that can be used to welcome an attorney into the attorney network.

Detailed Description Text (168):

1) Contact an attorney listed in the enclosed Trust Attorney Network Directory. You will find a list of attorneys who can draft the legal documents you need. Make sure you find an attorney you feel comfortable working with. The attorney will meet with you, explain how the Trust works, and answer all of your questions. The Trust is available only from attorneys who are members of the Trust Attorney Network. If you wish to use your family attorney, you can. If he or she is not currently a member of the network, ask the attorney to call (name financial advisor) at (insert phone number) to obtain the necessary information for becoming a member of the network.

Detailed Description Text (169):

2) After your attorney prepares the Trust for you, your attorney will instruct you to find the Trust by sending a check for the amount of your contribution (\$5,000 minimum; there is no maximum) made payable to (name trustee) (unless you designate another trustee) and mail it, along with a copy of the completed trust agreement, to (name financial advisor). For information regarding the investment that will be used to fund the Trust, please refer to the investment information packet included with the Trust Consumer Information Kit. Unless you designate another Financial Advisor, one of the financial advisors of (name financial advisor) will help you invest the contribution.

Detailed Description Text (171):

3) Give the \$150 Certificate to your attorney. The certificate can be used with all participating attorneys of the Network. We suggest that you shop around with different network-affiliated attorneys to find one you are comfortable working with and whose fees you find acceptable. Depending on the attorney you select, the \$150 Certificate may or may not cover the total cost of preparing a Trust agreement. Fees will vary with each attorney, and (name financial advisor) has no input on the fees that are established by each attorney. (Note: Treat the Certificate like a traveler's check. Each Certificate contains a serial number. It is important that you keep the Certificate in a safe place. If you lose it, notify us immediately for replacement.)

Detailed Description Text (175):

1. Contact an attorney who can prepare a Trust for you. Look for an attorney in your area using the Trust Attorney Network Directory. If you have an attorney who is not already a member of the Attorney Network, ask him or her to join the Network. Attorneys can learn more about it by calling (insert phone). Only attorneys who are members of the Trust Attorney Network have access to and are authorized to provide you with the Trust Specimen Trust Agreement.

Detailed Description Text (180):

3. Your attorney will prepare one Trust Specimen Trust Agreement for each child you designate. When you receive the Agreement(s), give your attorney the \$150 Certificate(s) as full or partial payment.

Detailed Description Text (202):

The concept may seem unusual because such Trusts are typically taxed at high rates, or allow for the transfer of assets to the child when he or she turns 18 or 21. But I have a product designed to overcome the economic, legal and tax hurdles involved. Thus, it's now possible to create this trust for the benefit of a child so that the money cannot be touched until the child turns at least 59 1/2 years old--and in the meantime, there will be no annual income tax liability.

Detailed Description Text (206):

That's why I'm sending you this letter. As the creator of the Trust, I am looking for attorneys who are interested in joining a network of attorneys who can serve the people who want to open one of these Trusts. When you join this network, I will be able to give your name to consumers who want to know which lawyers can help them establish the Trust.

Detailed Description Text (207):

Upon receipt of their enrollment form, (name financial advisor) will provide consumers with the names and contact information of all participating attorneys in the Trust Attorney Network who can prepare Trusts for them. Currently, there is also a national network of financial advisors who can recommend the Trust to their clients. They too may need the services of a participating member attorney.

Detailed Description Text (208):

As the creator of the Trust, I made enrolling as easy as possible for people.

First, they complete and return an enrollment form and one-time fee to (name financial advisor). Upon receipt of their materials, (name financial advisor) will send them a confirmation letter, an attorney directory which would include our name and bio information as a member, and a \$150 certificate, good for the payment of legal fees with a Network attorney.

Detailed Description Text (217):

When the child reaches the age of distribution (designated by the Grantor), the Trust assets will be distributed to the child. The child will have the option of receiving the proceeds in one lump sum, or as a series of monthly payments for the rest of his or her life, among other income options. Because no taxes are due on the money throughout the life of the Trust, the child will incur income taxes at his or her tax rate when he or she receives the income in retirement.

Detailed Description Text (219):

One important point about the Trust is that it is designed to benefit only one child. That means if your clients wants to give this gift of retirement security to more than one child, a separate Trust must be created for each child. And your clients can create as many Trusts for as many children as they'd like.

Detailed Description Text (220):

As a member of the Trust Attorney Network, you'll receive the benefits shown below. Of course, you will need to determine under your state bar rules that these marketing materials will work for you:

Detailed Description Text (226):

\$150 Credit for Each Trust You Draft--Every participating consumer will receive in their Trust enrollment kit a \$150 Certificate. It was designed so they could use it as full or partial payment for the legal services they incur when hiring you to draft the Trust. Again, the choice of fees is yours. I have no say in the matter, It is strictly between you and your client. The relationship between you and us should be disclosed to your clients consistent with the lawyers rules of professional responsibility.

Detailed Description Text (227):

As you can see, there are several benefits to joining the Trust Attorney Network.

Detailed Description Text (228):

The introductory membership fees is (insert fee) a year. See for yourself how effective this program is. For the next twelve months I invite you to discover how advantageous the Trust Attorney Network can be for you.

Detailed Description Text (231):

Simply complete the Trust Attorney Network License Agreement enclosed and return with payment. [name]

Detailed Description Text (233):

FIVE EASY STEPS TO BECOMING A MEMBER OF THE TRUST ATTORNEY NETWORK

Detailed Description Text (287):

or to such other address or fax number, and to the attention of such other person or officer as any party may designate in writing.

Detailed Description Text (304):

Congratulations! We're pleased to welcome you into the Trust Attorney Network.

Detailed Description Text (310):

As you know, we are developing a variety of marketing materials to help you promote the Trust to your clients and prospective clients. These materials are near completion and you can expect to receive them within a few weeks. As a member of

the Trust Attorney Network, you are eligible for the Trust Co-Op Marketing Program, which entitles you to 50% reimbursement for all expenses you incur when promoting the Trust. (Advance approval of all expenses is required.) Watch for more information about this exciting program soon!

Current US Class (1):
705

CLAIMS:

10. A computer program product storing computer instructions therein for instructing a computer to perform a first process of at least one of administering and assisting in the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user optionally including an administrator performing a second process, the program product comprising:

a recording medium readable by the computer; and

the computer instructions stored on said recording medium instructing the computer to perform the first process, the instructions and the first and second processes including:

(a) establishing, by the user, a network of approved providers;

(b) submitting, by the provider to the user, an application and fee to join the network of approved providers;

(c) providing, by the user to the provider, a specimen trust agreement;

(d) receiving, by the user, a request from the customer to administer the resources in accordance with predetermined criteria;

(e) preparing, by the provider for the customer, a trust agreement based on the specimen trust agreement;

(f) storing, by the computer, customer related data associated with the customer;

(g) determining, by at least one of the user and with assistance from the computer, a predetermined period of time based on an age of the beneficiary at which withdrawals do not incur a tax penalty; and

(h) administering, by the trustee with assistance from the computer, the resources including allocating of the resources in an annuity investment growing tax deferred for at least one of the predetermined period of time and until occurrence of a predetermined event, and preventing withdrawal of the resources so that the resources may grow tax-deferred for the at least one of predetermined period of time and until the occurrence of the predetermined event, ensuring that the resources are not prematurely diverted, and preventing the tax-free growth of the resources from being compromised.

11. A computer program product storing computer instructions therein for instructing a computer to perform a first process of at least one of administering and assisting in the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user optionally including an administrator performing a second process, the program product comprising:

a recording medium readable by the computer; and

the computer instructions stored on said recording medium instructing the computer

to perform the process, the instructions and the process including:

- (a) establishing, by the user, a network of approved providers;
- (b) submitting, by the provider to the user, an application and fee to join the network of approved providers;
- (c) providing, by the user to the provider, a specimen trust agreement;
- (d) receiving, by the user, a request from the customer to administer the resources in accordance with predetermined criteria;
- (e) preparing, by the provider for the customer with assistance from the computer, a trust agreement based on the specimen trust agreement;
- (f) storing, by the computer, customer related data associated with the customer;
- (g) at least one of receiving and acknowledging, by the user with the assistance of the computer, receipt of the resources from the customer, and entering the resources into the computer for administration;
- (h) appointing, by the user, a trustee to administer and manage the resources;
- (i) determining, by at least one of the user and the computer, a predetermined period of time based on an age of the beneficiary at which withdrawals do not incur a tax penalty;
- (j) administering, by the trustee with the assistance of the computer, the resources including allocating of the resources in an annuity investment growing tax deferred for at least one of the predetermined period of time and until occurrence of a predetermined event, wherein the predetermined event enables withdrawals without incurring tax penalty;
- (k) tracking performance of the resources;
- (l) transmitting, by at least one of the trustee and user with the assistance of the computer, details of the administration of the resources to at least one of the beneficiary and the customer;
- (m) requesting, by the beneficiary, to at least one of the trustee and the user to withdraw the resources;
- (n) determining, by at least one of the trustee and the user with the assistance of the computer, whether an initial period of time has expired;
- (o) rejecting, by at least one of the user and the trustee with the assistance of the computer, the request of the beneficiary when the initial period of time has expired and when the predetermined period of time has not expired and when the predetermined event has not occurred, and returning to said administering step (f), wherein the user or the trustee thereby prevents withdrawal of resources so that the resources may grow tax-deferred for at least one of the predetermined period of time and until the occurrence of the predetermined event, ensuring that the resources are not prematurely diverted and preventing the growth of the resources from being compromised;
- (p) transmitting, by at least one of the user and the trustee with the assistance of the computer, the resources to the beneficiary when the initial period of time has not expired; and
- (q) transmitting, by at least one of the user and the trustee with the assistance

of the computer, the resources in accordance with the predetermined criteria to the beneficiary when the initial period of time has expired and when at least one of the predetermined period of time has expired and when the predetermined event has occurred.

12. A computer program product storing computer instructions therein for instructing a computer to perform a first process of at least one of administering and assisting in the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user optionally including an administrator performing a second process, the program product comprising:

a recording medium readable by the computer; and

the computer instructions stored on said recording medium instructing the computer to perform the process, the instructions and the process including:

- (a) establishing, by the user, a network of providers;
- (b) submitting, by at least one of the providers to the user, an application and an optional fee to join the network of the providers;
- (c) providing, by the user to the at least one of the network of providers, a specimen trust agreement;
- (d) receiving a request from the customer to administer the resources in accordance with predetermined criteria;
- (e) preparing, by the at least one of the network of providers for the customer, a trust agreement based on the specimen trust agreement;
- (f) storing customer related data associated with the customer;
- (g) at least one of receiving and acknowledging receipt of the resources from the customer, and entering the resources into the computer for administration;
- (h) determining a predetermined period of time based on an age of the beneficiary at which withdrawals do not incur a tax penalty;
- (i) administering the resources including allocating of the resources in an annuity investment for at least one of the predetermined period of time and until occurrence of a predetermined event;
- (j) tracking performance of the resources;
- (k) transmitting details of the administration of the resources to at least one of the beneficiary and the customer;
- (l) receiving a request to withdraw the resources;
- (m) determining whether an initial period of time has expired;
- (n) rejecting the request of the beneficiary when at least one of the initial period of time has expired and when the predetermined period of time has not expired, and when the predetermined event has not occurred, and returning to said administering step (d);
- (o) transmitting the resources to the beneficiary when the initial period of time has not expired; and
- (p) transmitting the resources in accordance with the predetermined criteria to the

beneficiary when at least one of the predetermined period of time has expired and the predetermined event has occurred.

13. A computer program product storing computer instructions therein for instructing a computer to perform a first process of at least one of administering and assisting in the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user optionally including an administrator performing a second process, the program product comprising:

a recording medium readable by the computer; and

the computer instructions stored on said recording medium instructing the computer to perform the process, the instructions and the process including:

- (a) establishing, by the user, a network of approved providers;
- (b) submitting, by at least one of the approved providers the user, an application and an optional fee to join the network of approved providers;
- (c) providing, by the user to the at least one of the approved providers, a specimen trust agreement;
- (d) receiving, by the user, a request from the customer to administer the resources in accordance with predetermined criteria;
- (e) preparing, by the at least one of the approved service providers for the customer, a trust agreement based on the specimen trust agreement;
- (f) storing, by the computer, customer related data associated with the customer;
- (g) determining, by the user or the computer, a predetermined period of time based on an age of the beneficiary at which withdrawals do not incur a tax penalty;
- (h) administering, by the trustee with the assistance of the computer, the resources including allocating of the resources in an annuity investment growing tax deferred for at least one of the predetermined period of time and until occurrence of a predetermined event;
- (i) requesting, by at least one of the beneficiary, to the trustee and the user to withdraw the resources;
- (j) rejecting, by at least one of the user and the trustee with the assistance of the computer, the request of the beneficiary when the initial period of time has expired and when the predetermined period of time has not expired and when the predetermined event has not occurred, and returning to said administering step (d); and
- (k) transmitting, by at least one of the user and the trustee with the assistance of the computer, the resources in accordance with the predetermined criteria to the beneficiary when the initial period of time has expired and when at least one of the predetermined period of time has expired and when the predetermined event has occurred.

14. A computer implemented and user assisted process instructing and implemented by a computer to perform a first process of at least one of administering and assisting in a program for the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user performing a second process, the first and second processes comprising at least one of the sequential, non-sequential and sequence independent steps of:

- (a) establishing, by a first company, a network of a plurality of approved providers;
- (b) submitting, by the at least one provider to the first company, an application and an optional fee to join the network of approved providers;
- (c) providing, by the first company to the at least one provider, a specimen trust agreement;
- (d) delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company administering an annuity contract to a potential customer;
- (e) delivering, by the potential customer to the first company, including the application, an initial investment, and an optional fee for the first company, the application including:
 - 1) an optionally designated provider to be used, and when no optionally designated provider is provided, the first company will refer the potential customer to the at least one provider in the network,
 - 2) the annuity contract the potential customer wants to use, and when no annuity contract is designated, the second company is used,
 - 3) an investment advisor to be used for administering an investment application, and when no investment advisor is designated, the first company retains a third company to provide financial services on behalf of the potential customer,
 - 4) a trust company to be used for administering a trust application, and when no trust company is designated, a fourth company is used, and an optional trust fee which is optionally waivable when the second company is used;
- (f) performing, by the first company, the following:
 - 1) forwarding the application to the at least one provider to initiate at least one of the administering and the assisting in the program for the administration of the resources of the potential customer for the benefit of the beneficiary,
 - 2) optionally forwarding to the potential customer a certificate to compensate the at least one provider for an optional provider fee to be subsequently presented to the first company by the at least one provider for reimbursement thereby,
 - 3) optionally preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer,
 - 4) optionally retaining the resources for the beneficiary in escrow until notified by the at least one provider that the trust is in place;
- (g) providing, by the at least one provider, the first company with the following:
 - 1) transmitting a copy of the trust application executed by the potential customer,
 - 2) transmitting a copy of the investment application, executed by the potential customer, and optionally any additional authorizations, and
 - 3) instructing the first company to proceed with the investment of the resources as directed by the potential customer,

- (h) performing, by the first company, the following:
 - (1) forwarding the executed trust and investment applications, the application and the specimen trust agreement to the at least one provider, with instructions to open a customer account for the potential customer, and
 - (2) forwarding one or more confirmations to the potential client that the customer account was successfully opened,
- (i) storing, by the computer, customer related data associated with the potential customer;
- (j) at least one of receiving and acknowledging, by the at least one provider with the assistance of the computer, receipt of the resources from the potential customer, and entering the resources into the computer for administration thereof;
- (k) tracking performance of the resources;
- (l) transmitting, by the at least one provider, first company, second company, third company and fourth company, with the assistance of the computer, details of the administration of the resources to at least one of the beneficiary and the potential customer;
- (m) disbursing, by the at least one provider, first company, second company, third company and fourth company, with the assistance of the computer, the resources in accordance with the predetermined criteria to the beneficiary.

16. A computer implementing a first process of at least one of administering assisting in a program for the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user performing a second process, the computer comprising:

- (a) means for establishing, by a first company, a network of a plurality of approved providers;
- (b) means for submitting, by the at least one provider to the first company, an application and an optional fee to join the network of approved providers;
- (c) means for providing, by the first company to the at least one provider, a specimen trust agreement;
- (d) means for delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company administering an annuity contract to a potential customer;
- (e) means for delivering, by the potential customer to the first company, including the application, an initial investment, and an optional fee for the first company, the application including:
 - 1) an optionally designated provider to be used, and when no optionally designated provider is provided, the first company will refer the potential customer to the at least one provider in the network,
 - 2) the annuity contract the potential customer wants to use, and when no annuity contract is designated, the second company is used,
 - 3) an investment advisor to be used for administering an investment application, and when no investment advisor is designated, the first company retains a third company to provide financial services on behalf of the potential customer,

4) a trust company to be used for administering a trust application, and when no trust company is designated, a fourth company is used, and an optional trust fee which is optionally waivable when the second company is used;

(f) means for performing, by the first company, the following:

1) forwarding the application to the at least one provider to initiate the at least one of administering and the assisting in the program for the administration of the resources of the potential customer for the benefit of the beneficiary,

2) optionally forwarding to the potential customer a certificate to compensate the at least one provider for an optional provider fee to be subsequently presented to the first company by the at least one provider for reimbursement thereby,

3) optionally preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer,

4) optionally retaining the resources for the beneficiary in escrow until notified by the at least one provider that the trust is in place;

(g) means for providing, by the at least one provider, the first company with the following:

1) transmitting a copy of the trust application executed by the potential customer,

2) transmitting a copy of the investment application, executed by the potential customer, and optionally any additional authorizations, and

3) instructing the first company to proceed with the investment of the resources as directed by the potential customer,

(h) means for performing, by the first company, the following:

(1) forwarding the executed trust and investment applications, the application and the specimen trust agreement to the at least one provider, with instructions to open a customer account for the potential customer, and

(2) forwarding one or more confirmations to the potential client that the customer account was successfully opened,

(i) means for storing, by the computer, customer related data associated with the potential customer;

(j) means for at least one of receiving and acknowledging, by the at least one provider with the assistance of the computer, receipt of the resources from the potential customer, and entering the resources into the computer for administration thereof;

(k) means for tracking performance of the resources;

(l) means for transmitting, by the at least one provider, first company, second company, third company and fourth company, with the assistance of the computer, details of the administration of the resources to at least one of the beneficiary and the potential customer; and

(m) means for disbursing, by the at least one provider, at least one of first company, second company, third company and fourth company, with the assistance of

the computer, the resources in accordance with the predetermined criteria to the beneficiary.

17. A computer implemented and user assisted process instructing and implemented by a computer to perform a first process of at least one of administering and assisting in a program for the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user performing a second process, the first and second processes comprising at least one of the sequential, non-sequential and sequence independent steps of:

(a) establishing, by a first company, a network of a plurality of approved providers;

(b) submitting, by the at least one provider to the first company, an application and an optional fee to join the network of approved providers;

(c) providing, by the first company to the at least one provider, a specimen trust agreement;

(d) delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company administering an annuity contract to a potential customer;

(e) delivering, by the potential customer to the first company, including the application, an initial investment, and an optional fee for the first company, the application including:

1) a designated provider that may be optionally used, and when no designated provider is provided, the first company will refer the potential customer to the at least one provider in the network,

2) the annuity contract the potential customer wants to use, and when no annuity contract is designated, the second company is used,

3) an investment advisor to be used for administering an investment application, and when no investment advisor is designated, the first company retains a third company to provide financial services on behalf of the potential customer,

4) a trust company to be used for administering a trust application, and when no trust company is designated, a fourth company is used, and an optional trust fee which is optionally waivable when the second company is used;

(f) performing, by the first company, the following:

1) forwarding the application to the at least one provider to initiate at least one of the administering and the assisting in the program for the administration of the resources of the potential customer for the benefit of the beneficiary,

2) forwarding to the potential customer a certificate to compensate the at least one provider for an optional provider fee to be subsequently presented to the first company by the at least one provider for reimbursement thereby,

3) preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer,

4) retaining the resources for the beneficiary in escrow until notified by the at least one provider that the trust is in place;

(g) providing, by the at least one provider, the first company with the following:

- 1) transmitting a copy of the trust application executed by the potential customer,
 - 2) transmitting a copy of the investment application, executed by the potential customer, and any additional authorizations, and
 - 3) instructing the first company to proceed with the investment of the resources as directed by the potential customer,
- (h) performing, by the first company, the following:
- (1) forwarding the executed trust and investment applications, the application and the specimen trust agreement to the at least one provider, with instructions to open a customer account for the potential customer, and
 - (2) forwarding one or more confirmations to the potential client that the customer account was successfully opened,
- (i) storing, by the computer, customer related data associated with the potential customer;
- (j) at least one of receiving acknowledging, by the at least one provider with the assistance of the computer, receipt of the resources from the potential customer, and entering the resources into the computer for administration thereof;
- (k) tracking performance of the resources;
- (l) transmitting, by the at least one provider, at least one of first company, second company, third company and fourth company, with the assistance of the computer, details of the administration of the resources to at least one of the beneficiary and the potential customer;
- (m) disbursing, by the at least one provider, at least one of first company, second company, third company and fourth company, with the assistance of the computer, the resources in accordance with the predetermined criteria to the beneficiary.
18. A computer implemented and user assisted process instructing and implemented by a computer to perform a first process of at least one of administering and assisting in a program for the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user performing a second process, the first and second processes comprising at least one of the sequential, non-sequential and sequence independent steps of:
- (a) establishing, by a first company, a network of a plurality of approved providers;
 - (b) submitting, by the at least one provider to the first company, an application and an optional fee to join the network of approved providers;
 - (c) providing, by the first company to the at least one provider, a specimen trust agreement;
 - (d) delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company administering an annuity contract to a potential customer;
 - (e) delivering, by the potential customer to the first company, including the application, an initial investment, and an optional fee for the first company, the application including:

(f) performing, by the first company, the following:

1) forwarding the application to the at least one provider to initiate at least one of the administering and the assisting in the program for the administration of the resources of the potential customer for the benefit of the beneficiary,

2) preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer,

(g) providing, by the at least one provider, the first company with the following:

1) transmitting a copy of the trust application executed by the potential customer,

2) transmitting a copy of the investment application, executed by the potential customer, and any additional authorizations, and

3) instructing the first company to proceed with the investment of the resources as directed by the potential customer,

(h) forwarding, by the first company, the executed trust and investment applications, the application and the specimen trust agreement to the at least one provider, with instructions to open a customer account for the potential customer;

(i) storing, by the computer, customer related data associated with the potential customer;

(j) at least one of receiving and acknowledging, by the at least one provider with the assistance of the computer, receipt of the resources from the potential customer, and entering the resources into the computer for administration thereof;

(k) tracking performance of the resources;

(l) transmitting, by the at least one provider, at least one of first company, second company, third company and fourth company, with the assistance of the computer, details of the administration of the resources to at least one of the beneficiary and the potential customer;

(m) disbursing, by the at least one provider, at least one of first company, second company, third company and fourth company, with the assistance of the computer, the resources in accordance with the predetermined criteria to the beneficiary.

19. A computer implemented and user assisted process instructing and implemented by a computer to perform a first process of at least one of administering and assisting in a program for the administration of resources of a customer for the benefit of a beneficiary via the assistance of a user performing a second process, the first and second processes comprising at least one of the sequential, non-sequential and sequence independent steps of:

(a) establishing, by a first company, a network of a plurality of approved providers;

(b) submitting, by the at least one provider to the first company, an application and an optional fee to join the network of approved providers;

(c) providing, by the first company to the at least one provider, a specimen trust agreement;

(d) delivering, by the first company, an information kit concerning the program, an application for the program, and information regarding a second company

administering an annuity contract to a potential customer;

(e) delivering, by the potential customer to the first company, including the application, an initial investment, and an optional fee for the first company, the application including:

(f) performing, by the first company, the following:

1) forwarding the application to the at least one provider to initiate at least one of the administering and the assisting in the program for the administration of the resources of the potential customer for the benefit of the beneficiary,

2) preparing the investment and trust applications when the second company and the third company and the fourth company are used by the potential customer,

(g) providing, by the at least one provider, the first company with the following:

1) transmitting a copy of the trust application executed by the potential customer,

2) transmitting a copy of the investment application, executed by the potential customer, and any additional authorizations, and

3) instructing the first company to proceed with the investment of the resources as directed by the potential customer; and

(h) forwarding, by the first company, the executed trust and investment applications, the application and the specimen trust agreement to the at least one provider, with instructions to open a customer account for the potential customer.

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TITLE: Computer-aided method, machine, and products produced thereby, for illustrating a replacement of a benefit plan that is viable at one location but not viable at the location of the replacement

Brief Summary Text (7):

The genesis of this invention originates in what the inventor believes is a need to provide fair and equal compensation to the global work force. And given the morass of national laws, it has been a challenge to provide equivalent benefits to employees, executives, and self-employed individuals located anywhere in the world. Typically, U.S. multi-national employers (MNEs) will offer their domestic employees both "qualified" and "non-qualified" benefits. Qualified benefits usually include one or more retirement plans, designed as either defined benefit plans (such as pensions) or defined contribution plans (such as the 401 (k)). Non-qualified plans are generally available only to executives and include both defined benefit plans, such as Supplemental Executive Retirement Plans (SERPs), defined contribution plans, such as Deferred Compensation Plans, incentive plans, such as Incentive Stock Option Grants, and risk-transfer plans, such as Executive Life Insurance Plans (ELIPS).

Brief Summary Text (9):

Many MNEs do not allow their U.S. expatriates to participate in the employer's 401 (k) plan, because the deferral of income is recognized as income in the majority of foreign jurisdictions. This means that the employee is taxed on income not received, and the MNE will usually gross up the employees' compensation to cover the additional foreign income tax, under the MNE's tax equalization program. Those MNEs that do allow their employees to participate in the 401 (k) retirement plan incur added globalization costs.

Brief Summary Text (15):

Currently, only a few MNEs have addressed these issues to any great extent. In doing so, there have been programs designed for each specific type of international employee and each host country in which they work. Consequently, some MNEs may have as many as 100 different benefit plans for their global workforce. The administrative burden is overwhelming. Prior to this invention, there was no uniform means for providing a single-source benefit program that could provide multi-jurisdictional benefits.

Brief Summary Text (17):

To design a multi-jurisdictional replacement benefit plan is largely dependent on the tax laws of the host jurisdiction within which the benefitted employee is the taxed entity. Generally, foreign jurisdictions are either common law or civil law entities. Civil law is based on the court's interpretation of the law as written, whereas each court decision adds to the body of law in a common law system. In either system, individual taxable income is based on any one or more of the following factors:

Brief Summary Text (27):

In general, employee benefits can be classified in three ways--(1) risk-shifting plans, such as life, health and disability insurance, (2) accumulation plans, such as retirement plans, and (3) income deferral plans, such as non-qualified deferred compensation. Prior to this invention, compensation techniques, such as assignment-completion bonuses, were the predominant tax avoidance strategy employed by consultants. However, these bonuses are being viewed by foreign tax entities as compensation related to services provided in the host country and subject to tax through the application of both "attribution" and "look-back" rules. To provide replacement benefits utilizes risk-shifting and accumulation strategies, since the employee's right to defer income is considered constructive receipt by most foreign jurisdictions and therefore, subject to tax.

Brief Summary Text (46):

Likewise, in any variation of the foregoing, the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan that is viable at the replacement plan's location, can include engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a cost-reduction-profit sharing replacement for the benefit plan, corresponding to characteristics for a synthetic defined contribution plan as the replacement for the benefit plan, corresponding to characteristics for a stock option substitute as the replacement for the benefit plan, corresponding to characteristics for a pension gap supplement as the replacement for the benefit plan, corresponding to characteristics for a voluntary contribution as the replacement for the benefit plan, corresponding to characteristics for an employer supplemental contribution as the replacement for the benefit plan, corresponding to characteristics for a plan covering at least one of health, life, and disability as the replacement for the benefit plan, corresponding to characteristics for the replacement for a retirement plan as the benefit plan, corresponding to characteristics for the replacement for a deferred compensation plan as the benefit plan, characteristics for the replacement for an incentive plan as the benefit plan, and/or characteristics for the replacement for a retirement plan as the benefit plan.

Brief Summary Text (48):

Additionally, any such variants can be carried out as further including providing Internet-based computerized banking services in response to data communicated over the Internet to a banking service computer, the data confirming an identity for an employee receiving the replacement.

Brief Summary Text (49):

It is especially preferred that any of the foregoing be carried out by further including providing Internet-based computerized investment service in response to data communicated over the Internet to an investment service computer, the data confirming an identity for an employee receiving the replacement, further including providing Internet-based computerized financial planning service in response to data communicated over the Internet to a financial planning service computer, the data confirming an identity for an employee receiving the replacement, further including providing Internet-based computerized relocation service in response to data communicated over the Internet to a relocation service computer, the data confirming an identity for an employee receiving the replacement, further including providing Internet-based computerized estate planning service in response to data communicated over the Internet to an estate planning service computer, the data confirming an identity for an employee receiving the replacement.

Drawing Description Text (12):

FIG. 11 is a logic flow diagram of the replacement plan sponsor's transactions affecting the replacement plan administering;

Drawing Description Text (16):

FIG. 15 is a logic flow diagram for accounting for the replacement plan by the plan sponsor;

Drawing Description Text (18):

FIG. 17 is a logic flow diagram for providing additional services to the replacement plan participants via the Internet and other electronic and non-electronic networks;

Drawing Description Text (19):

FIG. 18 is a logic flow diagram for a consultant's computer system used to provide replacement plan consulting to plan sponsor's and participants;

Detailed Description Text (2):

FIG. 1 shows, in block diagram form, the computer-based elements that can be utilized to implement the present invention. The present invention involves computer system 1, which encompasses processor circuitry 3 in a digital electrical computer 2. For flexibility, it is preferable to have the processor circuitry 3 formed by means of a computer program programming programmable circuitry, i.e., programming the computer (microprocessor, such as one of the Pentium series). The programming can be carried out with a computer program (or programs) 4, which for flexibility should be in the form of software stored in an external memory 5, such as a diskette, hard disk, virtual disk, or the like form of an article of manufacture. (The virtual disk is actually an extended internal memory 5 that may assist in speeding up computing.) A diskette approach is optional, but it does provide a useful facility for inputting or storing data structures that are a product produced by the host software, as well as for inputting a software embodiment of the present invention. Of course, storing the computer programs 4 in a software medium is optional because the same result can be obtained by replacing the computer programs in a software medium with a hardware storage device, e.g., by burning the computer programs 4 into a ROM to form a specific hardware embodiment, using conventional techniques to convert software into an ASIC or FPGA, etc., as would be understood by one having a modicum of skill in the arts of computer science and electrical engineering. (It is well known in the art of computer science that it is a trivial technical exercise to go from hardware to software or vice versa. See, for example, James R. Goodman, Todd E. Marlette, and Peter K. Trzyna, "The Alappat Standard for Determining That Programmed Computers are Patentable Subject Matter," J.P.T.O.S. October 1994, Volume 76, No. 10, pages 771-786, and James R. Goodman, Todd E. Marlette, and Peter K. Trzyna, "Toward a Fact-based Standard for Determining Whether Programmed Computers are Patentable Subject Matter," J.P.T.O.S. May 1995, Vol. 77, No. 5, pages 353-367, both of which are incorporated by reference.) In this regard, it should also be noted that "input" can include inputting data for processing by the computer program 4 or inputting via a portion of the computer program 4 code itself. Likewise, computer system 1 contemplates implementations in one or a plurality of computers, which could be in a distributed network or even unconnected but operated to carry out the invention as a whole.

Detailed Description Text (5):

Still other alternatives include optionally using a network 18, such as a telecommunications, Internet, or intranet network, in facilitating other computers 11 to cooperate. Such cooperation can also involve communicating by a computer-to-computer communications device (e.g., a modem). However, a mini-computer or a mainframe system, or the like could be employed. With such larger scale approaches, the external memory 5 could be a tape or a CD ROM for data retrieval. A VAX or MicroVAX system running VMS 5.0 or later is an acceptable approach.

Detailed Description Text (17):

For the sake of brevity, it should be understood that the foregoing detailed depiction of items 2-18 in FIG. 1 are also representative of the details of other computers 11 mentioned herein, including Replacement Plan Administering Computer

20, Accounting Computer 22, Master Trust Accounting Computer 24, Life Insurance Policy Administering Computer 26, Assets Value Calculating Computer 28, Trust Funds Investment Manager Computer 30, Banking Services Computer 32, Investment Services Computer 34, Relocation Services Computer 38, Estate Planning Services Computer 40, Other Services Computer(s) 41, administrating computers for sub-trusts 42-49, Marketing Computer 50, Reinsurance Company Computer 60, Off-shore Payroll Accounting Computer 62, Participant's Computer 68, Consultant's Computer 64, Compliance Computer 66, Case Study and Sensitivity Computer 70, Revenue Accounting Computer 72, etc. as set forth hereinafter and illustrated in FIG. 2. Each of other computers 11 can have analogous components to those encompassed in items 2-18 in FIG. 1, and that the other computers 11 can communicate via the computer-to-computer communication device 12, such as a modem, and the network 18, such as the Internet, or telephone or the like, connecting the computer's respective input devices.

Detailed Description Text (18):

More particularly in FIG. 2, a representation of the overall functioning system for the invention is illustrated. The logic for System 1 can involve at least two alternative approaches. Either the logic is initiated by a consultant acting on behalf of a plan sponsor or by the plan sponsor directly. The System 1 works equally well under both approaches.

Detailed Description Text (19):

Considering the first alternative, the process begins with input from the via Consultant's Computer 64, which may be used in supporting and automating the consulting services related to this invention. The input data can include a request for a comparative study for providing equivalent benefits for the consultant's client. The Consultant's Computer 64 can identify the plans(s) to be illustrated and replaced. The necessary plan sponsor and participants' data can also be transmitted or otherwise communicated.

Detailed Description Text (20):

The Consultant's Computer 64 receives data from a Compliance Computer 66, which may provide accounting, legal and/or tax information, possibly from a database or network, for the United States and the various foreign jurisdictions in which their clients can desire replacement plans. The compliance information is used by the consultant to perform due diligence on the replacement plan illustrated by this invention.

Detailed Description Text (22):

When a Plan Sponsor initiates the process directly, the U.S. Plan Sponsor Computer 22, requests the comparative analysis and provides the needed data. The comparative illustrations are sent to the Marketing Computer 50, and packaged for transmission to the plan sponsor through the Central Computer 2. The Marketing Computer 50 provides case study and sensitivity analysis.

Detailed Description Text (23):

The Plan Sponsor may be an off-shore employer, which is related to a domestic employer, or totally independent, such as a non-U.S. company. The off-shore plan sponsor may transmit data to the Central Computer 2 from its Payroll Accounting Computer 62 with the same results as previously described for the consultant and domestic plan sponsors.

Detailed Description Text (24):

Once the plan sponsor accepts the replacement plan, data is transmitted from the Central Computer 2, the Marketing Computer 50, and the consultant's Computer 64, to the Replacement Plan Administering Computer 20. The Replacement Plan Administering Computer 20 prepares participant enrollment kits and the plan sponsor administrative guide, as well as providing on-going plan administration. As part of the administering, the Replacement Plan Administering Computer 20 also tracks

benefit liabilities and issues benefit payment checks directly to either the plan participant or to the plan sponsor for further distribution to the plan participant.

Detailed Description Text (30):

The Central Digital Computer 2 also passes data to financial services providers' computers at the direction of participants. The financial services providers may be accessed via the network 12, including the Internet, Intranet, telecommunications, facsimile, letter or any other such possible means. The services include those corresponding to Banking Services Computer 32, Investment Services Computer 34, Financial Planning Services Computer 36, Relocation Services Computer 38, Estate Planning Services Computer 40, and other such services Computer 41 as need evolves.

Detailed Description Text (31):

The computer system 1 is designed to also provide data to and receive data from the replacement plan participants through their own personal Participant's Computers 68, via the Network 12. Access is limited by a gateway to the supplemental financial services, the replacement plan participant reports, the input of participant transactions, and asset allocation for the participant's liability account only.

Detailed Description Text (33):

Turning now to FIG. 3, the central digital Computer 2 is used to generate comparative illustrations analyzing the replacement plan characteristics in comparison with the forfeited benefits not available or viable in the replacement plan's location. As described in FIG. 2, the process is initiated by either the consultant or the plan sponsor. In Block 115, the source of the data input is selected. If a consultant is selected, plan sponsor's data, Block 116, is provided by the appropriate Plan Sponsor Computer 22 and/or 62 to the Consultant's Computer 64, which in turn will provide the data, Block 117, to the Central Computer 2. Likewise, if the consultant is not selected, the plan sponsor's data, Block 118, is provided by the Plan Sponsor Computer 22 and/or 62, which will provide the data directly to the Central Computer 2.

Detailed Description Text (34):

As requested by the consultant or the plan sponsor, the first input item is the current benefit plan information 100, which is selected from the menu in FIG. 4. The selection would typically be a plan that may not be extended to foreign employees, such as non-qualified deferred compensation, or a plan that is not tax effective overseas, such as a 401 (k) retirement plan.

Detailed Description Text (37):

In Block 106, the selected plan variance is calculated between the illustrations of the plan held to maturity and the interrupted plan. That variance represents the lost benefit value experienced by the individual as a participant or would-be participant. For example, if an individual was unable to participate in the company's 401 (k) retirement plan for the three years while overseas, the value of the plan would be reduced by three years of contributions plus the lost earnings on those contributions.

Detailed Description Text (38):

In Block 108, the replacement plan that is best suited to provide the benefit equivalent to the value of the benefit being lost is selected from the replacement plan menu in FIG. 7. These plans are designed to provide an equivalent or improved economic benefit to the participant when compared to the plan being replaced.

Detailed Description Text (41):

Specimen 1 is a representative sample of a Participant Summary Illustration for a Replacement Plan for a U.S. 401 (k) retirement plan. The Participant Summary

Illustration is supported by several schedules that provide the analysis necessary to generate the Summary Illustration. For a Replacement Plan with multiple participants, each participant's illustration is aggregated to generate Plan Sponsor Illustration, which includes the supporting schedules and a Plan Sponsor Summary Illustration. The supporting schedules can include the financial impact on the plan sponsor's cash flow, earnings statement, and balance sheet, as well as one or more life insurance illustrations. Various schedules can also be combined on one schedule, such the Participant and Plan Sponsor Summary Illustrations can be combined into one schedule, if preferred.

Detailed Description Text (42):

In Specimen 1, the participant assumptions used are on the first page and the summary illustration is on the second page. The supporting schedules are not included in this specimen, since they follow standard industry formats and can be derived from review of the Summary Illustration. The assumptions used include a 45 year old participant, with a \$100,000.00 current 401 (k) balance, making a regular \$10,000.00 annual contribution, and earning an overall 10% rate-of-return on the account. At the beginning of 1999, the participant will be assigned to a foreign assignment for five years, without the ability to continue to participate in the plan sponsor's 401 (k) plan, since the plan is not favorably taxed in the foreign jurisdiction. Therefore, the plan sponsor has implemented a Replacement Plan to assist the participant in maintaining an equivalent benefit. To implement the Replacement Plan, the participant has negotiated a remuneration package that includes a Replacement Plan Benefit of \$50,000.00, plus earnings, which will be distributed when vested in 20 years. Since the participant has no access to the funds (constructive receipt) until the benefit vests, the benefits will not be taxed to the participant until distributed in 20 years. The plan sponsor will use this invention to fund the promised Replacement Plan benefit using a specially designed, no-load life insurance product as the investment vehicle.

Detailed Description Text (43):

The sample Summary Illustration in Specimen 1 is a typical side-by-side comparison of the ability of the Replacement plan to generate equivalent benefits. Section A illustrates the participant's account balance and retirement income benefit if the plan could be continued uninterrupted by the foreign assignment. Section B illustrates the effects of the five-year lapse of participation on the account balance and retirement income benefit. Section C illustrates the account balance and retirement income benefit of the Replacement Plan. The illustration shows the effect of combining the benefits in Section B with the Replacement Plan benefits in Section C and compares the combined Net Income to the Net Income in Section A. As Specimen 1 illustrates, the participant's position is improved.

Detailed Description Text (44):

In Block 114, the illustration is analyzed for meeting the objectives, and if further analysis is required, the process is repeated until the output illustration is satisfactory, or until all of the desired plan options are illustrated. Likewise, if the reillustration is for sensitivity analysis, required by the consultant and/or plan sponsor, additional input of the sensitivity parameters is entered into Block 100 from the Marketing Computer 50 in Block 470, FIG. 16.

Detailed Description Text (45):

Moving to FIG. 4, the Benefit Plan Menu, Block 120, is used by the operator to select the current benefit plan to be compared and replaced. The menu is expandable and can include specific employer plans, as well as generic or model plans. For example, a particular plan sponsor may want to use the specific features of the company's non-qualified deferred compensation plans, rather than a generic model that is programed into the computer. The plan sponsor's plan(s) is downloaded into the Central Computer 2.

Detailed Description Text (46):

In Block 122, the Retirement Plans selection includes various tax-qualified plans within the main selection, including, but not limited to, Defined Benefit plans, such as pension plans, and Defined Contribution plans, such as money purchase plans, profit-sharing plans and the 401 (k) profit-sharing plan. Also included are excess plans and restoration plans. Retirement plans can also include other types of employer-sponsored savings plans, such as Simplified Employer Plan (SEP), as well as individual retirement plans, such as Individual Retirement Accounts and Keogh plans. This menu selection also includes retirement plans of non-U.S. companies in foreign jurisdictions.

Detailed Description Text (47):

In Block 124, the Deferred Compensation Plans selection includes non-qualified deferred compensation plans of all types and variations, which are generally classified as defined contribution plans. As such, in most of these types of plans, a defined amount, expressed in percentages or pecuniary terms, is forgone (deferred) from remuneration by the participant. The deferred amount is accounted for by the plan sponsor as a liability and is credited with earnings, in accordance with the plan design. The liability is recorded on the plan sponsor's balance sheet, and the earnings credited to the account are charged against the earnings of the plan sponsor. This menu selection also includes deferred compensation plans of non-U.S. companies in foreign jurisdictions.

Detailed Description Text (50):

In Block 130, the menu selection non-qualified defined benefit plans, such as a Supplemental Executive Retirement Plan (SERP), which pays an executive a supplemental retirement income at retirement. This menu selection also includes other forms of salary continuation plans and management supplemental retirement benefit plans. In addition, this menu selection includes non-qualified defined benefit plans of non-U.S. companies in foreign jurisdictions.

Detailed Description Text (53):

The logic continues in Block 140, which receives input from the participants' data of each participant's identification in either numeric or alphabetic form. If there is more than one participant to be included, a census may be inputted. If a participant census is not available, the participants are grouped by age cells based on agreed upon assumptions provided by the consultant or plan sponsor. Obtaining the participant population data is important to this process.

Detailed Description Text (57):

Block 148 receives input from the participants' data of each participant's assumed age at the plan's expected distribution date, which can optionally be defined by the benefit plan being replaced. If no plan exists, a distribution age declared by the participant or by law can be used. For example, if the benefit plan is a pension plan having a normal retirement age of 65, then 65 is entered in block 148.

Detailed Description Text (58):

Block 150 receives input from the participants' data of each participant's assumed life expectancy. The input is based on the participant's personal planning assumptions, assumptions provided by the plan sponsor or actuarial tables. For example, if the plan sponsor desires to use a life expectancy of age 90, then age 90 is entered.

Detailed Description Text (59):

Block 152 receives input from the participants' data of the assumed rate of return for the current benefit plan. The rate of return is either the actual historical life of plan rate of return or an assumed rate of return provided by either the participant or the plan sponsor. Where a current plan does not exist, the participant or plan sponsor will provide an assumed rate of return. For example, if a participant's 401 (k) has yielded an average annual total return of 10%, then 10%

will be entered. Comparatively, if a defined benefit pension plan benefit is projected using an actuarial calculation based on an 8% rate of return, the 8% is entered.

Detailed Description Text (64):

This is the same data as previously used in Block 140. Similarly, If there is more than one participant to be included, a census may be inputted. If a participant census is not available, the participants are grouped by age cells based on agreed upon assumptions provided by the consultant or plan sponsor.

Detailed Description Text (68):

Block 178 receives input from the participants' data of each participant's assumed age at the plan's expected distribution date, which can optionally be defined by the benefit plan being replaced. If no plan exists, a distribution age declared by the participant or by law can be used. For example, if the benefit plan is a pension plan having a normal retirement age of 65, then 65 is entered in block 178.

Detailed Description Text (69):

Block 180 receives input from the participants' data of each participant's assumed life expectancy. The input is based on the participant's personal planning assumptions, or assumptions provided by the plan sponsor or actuarial tables. For example, if the plan sponsor desires to use a life expectancy of age 90, then age 90 is entered.

Detailed Description Text (70):

Block 182 receives input from the participants' data of the assumed rate of return for the current benefit plan. The rate of return is either the actual historical life of plan rate of return or an assumed rate of return provided by either the participant or the plan sponsor. Where a current plan does not exist, the participant or plan sponsor will provide an assumed rate of return. For example, if a participant's 401 (k) has yielded an average annual total return of 10%, then 10% will be entered. Comparatively, if a defined benefit pension plan benefit is projected using an actuarial calculation based on an 8% rate of return, the 8% is entered.

Detailed Description Text (74):

Moving to FIG. 7, the Replacement Plan Menu, Block 200, is used to select the new benefit plan to be used to replace the benefit plan in Block 120, FIG. 3. The menu is expandable and is intended to include existing replacement plans, as well as plans to be developed for future use within the invention. One of the objectives of this invention to promote and support the continuing development of new replacement plans. The replacement plan menu will include replacements for U.S. and foreign plans. For example, if the European Union wanted to develop a defined contribution plan for the population of its member nations, this invention can be used to design, implement and administer such a plan, and it can be added to the menu in Block 200.

Detailed Description Text (75):

The replacement plans are not intended to specifically replace any particular existing benefit plan, but rather, any replacement plan may be used to replace any existing benefit plan at the plan sponsor or consultant's request. For example, a plan sponsor may desire to use a Flexible Remuneration Incentive Plan as a replacement for the company's 401 (k) plan, which is not viable overseas.

Detailed Description Text (76):

In Block 202, the Severance Plans selection includes the various plans for making payments to employees, who are being terminated from their employment for whatever reasons. Typically, this situation can be created when a plan sponsor releases a participant from one company to be rehired by a foreign subsidiary. For example, it

is common for an U.S. company (USCO) to terminate an employee from the U.S. entity to be rehired by the company overseas company (USCO-Europe). USCO may use a severance payment replacement plan to reward the employee for taking an overseas assignment, or alternatively, use the severance plan to replace certain incentives and allowances in the assignment compensation package. In addition, a plan sponsor may use a severance plan design to supplement or replace a "golden parachute" payment for a terminated executive.

Detailed Description Text (77):

In Block 204, the Flexible Remuneration Incentive Plans selection includes various forms of flexible compensation tied to long-term vesting benefits. For example, using a "balance sheet" based expatriate assignment package, a plan sponsor may enter a genuine negotiation with a participant to adjust the amounts of the incentives and allowances that comprise the participant's total remuneration package. Typically, the consultant can coordinate the design of the flexible remuneration plan and plan sponsor negotiation.

Detailed Description Text (78):

To the extent that the negotiation results in cost savings to the plan sponsor, the savings can be shared with the participant, which is the Incentive Plan portion of this menu selection. At the plan sponsor's discretion, a portion of the savings is placed into a deferred vesting arrangement for distribution at a later time to be determined jointly by the plan sponsor and participant. With an infinite number of plan designs, each plan sponsor will have the option of designing a Flexible Remuneration Incentive Plan to meet their own unique situation, goals and objectives.

Detailed Description Text (79):

As an example of the plans operation, a participant is selected for an expatriate assignment, and the plan sponsor negotiates with the participant to determine the allowances and incentives that are needed and those that the participant can forgo. Assume the negotiation is settled with the participant forgoing a portion of several allowances totaling \$30,000.00, which saves the plan sponsor an addition \$20,000.00 of tax and gross-ups. The plan sponsor may then decide to share the savings with the participant by entering a separate agreement with the participant to pay a \$25,000.00 benefit with earnings at a date in the future. The distribution date can vary as mutually agreed by the plan sponsor and the participant, but would be expected to be between five and twenty years. The benefit would be subject to risk of forfeiture or vesting until distribution depending upon the plan design. In addition, another replacement plan can be used as an incentive plan in lieu of the typical arrangement. For example, the plan sponsor may implement a "severance plan" instead of the incentive plan and use the cost savings to fund that plan for the benefit of the participant.

Detailed Description Text (80):

In Block 206, the Synthetic Defined Contribution Plans selection includes any plan that simulates a U.S. tax-qualified defined contribution retirement plan, such as a money purchase plan or a 401 (k) profit sharing plan. For example, the Insured Security Option Plan (ISOPT) is a plan that can be considered a synthetic defined contribution plan (see, e.g., U.S. Pat. No. 5,839,118 incorporated by reference). It produces essentially the same financial results to both the plan sponsor and the participant as a 401 (k) plan without being tax qualified for IRS purposes. Other synthetic defined contribution plans will be created for the global workforce.

Detailed Description Text (81):

In Block 208, the Synthetic Incentive Plans selection includes plans designed to be a substitute for the traditional forms of incentive plans. For example, the Private Stock Option Plan (PSOP) is a synthetic stock option plan that is designed to replace incentive stock option grants, phantom stock and stock appreciation rights.

Detailed Description Text (82):

In Block 209, the PSOP is a plan in which the plan sponsor transfers cash to an offshore trust, through a loan, gift or other means. The trustee uses those funds to purchase the plan sponsors stock or some other company's stock or mutual fund on the open market through an appropriate exchange in the U.S. or in a foreign jurisdiction. In accordance with the trust document, the trustee is allowed to issue and sell private longterm options to the plan participants on the stock held by the trust. Typically, they would expire in ten years and be exercisable after three years, but each plan can be designed differently. However, in order for the participants to be allowed to exercise their options, certain performance criteria must be met. For example, to allow an option exercise, the plan sponsor may require that the stock price be above a certain level, the participant be an active employee of the company, the income from operations be increased by a certain percentage, and/or any other measurement that the plan sponsor believes to be an important goal for the company. The probability of the selected events occurring will devalue the price of the option to the participant. Therefore, the option price can be relatively small compared to the price of the stock. Depending on the factors, it can be as low as one to two percent of the share price. The participants purchase the PSOPs with their own funds, or with bonus money paid to them by the plan sponsor, as personal investments. Payroll deduction may also be used for administrative convenience.

Detailed Description Text (83):

When vested and if the prescribed criteria have been met, the participant can exercise the options and call in the stock. As directed, the trustee sells the called shares in the market and uses the proceeds to pay off the loan to the plan sponsor, with the balance paid to the participant as capital gains. Alternatively, the trustee may sell only the shares needed to pay the participant's gain and use the remaining shares for another PSOP.

Detailed Description Text (84):

The financial result to the participant is improved in that the gain is the same, but it is classified as capital gains instead of ordinary income. Likewise, the plan sponsor avoids the FAS 123 accounting issues and has an immediate tax deduction when bonuses are used to help the participants purchase the shares. In the case where the participants are using personal funds to purchase the PSOPs, the plan sponsor has no accounting requirements, except for entering the loan to the trust as a note receivable on the balance sheet and recording any interest credited on the loan in the earnings statement.

Detailed Description Text (85):

In Block 210, the Synthetic Defined Benefit Plans selection includes plans that are used to simulate the economic benefits of U.S. and foreign tax-qualified and non-qualified defined benefit plans in locations where they may not be viable. These plans include synthetic supplemental executive retirement plans, target benefit plans, and the Guaranteed Return Income Plan (GRIP).

Detailed Description Text (87):

The product design can be a life insurance and/or annuity product, using a combination of stable-value bond and/or equity separate accounts and life insurance as the funding device to produce a guaranteed income based on a guaranteed rate-of-return. The guarantee is a floor with upside profit-sharing for the participant.

Detailed Description Text (89):

In Block 214, the Synthetic Social Insurance Programs selection includes those plans created as a substitute for the social insurance programs of various governments worldwide. For example, using a life insurance product, a plan can be developed to provide a German executive working in Japan for a U.S. plan sponsor the same survivor, disability and retirement benefits that his U.S. peers will

receive from U.S. Social Security. Similarly, plans can be developed to simulate any social insurance program in which a participant is not eligible to participate.

Detailed Description Text (90):

In Block 216, the Pension Gap Supplement Plans selection includes those plans that are designed to supplement the national social retirement pension programs sponsored by most foreign governments. Typically, when foreign participants are no longer residents of their home country, they do not participate in the home country's social retirement pension program, and their benefits are frozen. Therefore, the participants working outside their home country may sacrifice a portion of their retirement benefits. The Pension Gap Supplement Plans are designed to offset any deficit created by employment outside the home country. For example, a Frenchman working in South America for an extended time, whose French social Pension is reduced by \$1,000.00 per month by his absence, can use a Pension Gap Supplement Plan to restore the \$1,000.00 of monthly income from outside the French system.

Detailed Description Text (91):

In Block 218, the Participant's Voluntary Investment Plans selection includes plans that are intended for us by participants on a voluntary contribution basis, either through a plan provided by a plan sponsor or on a direct participation basis. For example, residents of several merging countries are limited in their ability to invest their funds outside their country because of strict exchange controls. One of these plans can be used by a plan sponsor to allow offshore investments for their participants using world-class investments. In addition, these plans can be used by participants as accumulation investments to increase their personal wealth or supplement their retirement.

Detailed Description Text (92):

In Block 220, the Plan Sponsor Supplemental Contribution Plans selection includes plans designed for the plan sponsor to use as vehicles for making contributions to incentive plans or catch-up plans for their participants. For example, if a plan sponsor recognizes that a participant or group of participants are under-compensated relative to their peers, but the plan sponsor does not want to incur the additional tax and social insurance cost associated with providing compensation, a supplemental contribution plan is used to provide the participants with equivalent value.

Detailed Description Text (95):

The logic now moves to FIG. 8 as the selected replacement plan is illustrated. The logic proceeds with Block 228, which receives the Participants' Data from the data input used to generate the Replacement Plan Characteristics from the various possible sources. Obtaining accurate participant sourcing information and population data is important to this process. This data is also used to illustrate the benefit plans to be replaced in Block 138, FIG. 5. In addition, this data is transmitted to the Replacement Plan Administering Computer, Block 262, FIG. 9, to be used to track the participants' benefit liabilities. The specific design will be influenced by the source of the plan sponsor, and the input received by Block 230 needs to identify that information.

Detailed Description Text (96):

In Block 254, the input to Block 228 is being provided directly or through a consultant from an Employer, either U.S. or foreign. The location of the employer will also be entered. For example, if the plan sponsor is an U.S. employer and the participants are U.S. expatriates, a synthetic incentive plan may be designed differently than a plan designed for a Japanese employer with Singaporean participants, although it is the same basic plan being illustrated.

Detailed Description Text (97):

In Block 255, the input to Block 228 is being provided from an offshore payroll company, which can be a subsidiary of an U.S. or foreign employer, as well as a Professional Employer Organization (PEO). Offshore payroll companies and PEOs are typically used to operate an employee leasing operation, where the participants are hired by the offshore entity and sent to various assignments. A replacement plan is designed differently for a participant in an offshore payroll company than it might be for another participant. For example, since the offshore company is not subject to the same regulations as the parent might be, the offshore company is better able to pass the benefit liability to the replacement plan provider. In doing such, the employer can eliminate the financial statement impact created by implementing a replacement plan. The assumption of the benefit liability becomes a currently tax-deductible expense, rather than a deferred tax asset.

Detailed Description Text (98):

In Block 256, the input to Block 228 is received from a self-employed participant, of either U.S. or foreign origin. The replacement plan will be designed differently for the self-employed than for other types of participants, in that the participant and the plan sponsor are one-and-the-same. Therefore, there is not flexibility on some designs and limitations on other types of replacement plans. For example, it may be difficult to justify a severance plan for a self-employed individual. While at the same time, a plan for a self-employed participant can be more customized to the particular needs of the participant, when there is not a group of participants or management to set limits.

Detailed Description Text (99):

In Block 257, the input to Block 228 is received from local nationals, who may or may not be employees of a local or multi-national company. Local participants are not usually on the same compensation packages as expatriates, third-country nationals and foreign nationals in the U.S. Therefore, the plan design may be limited. For example, local participants would not be candidates for a pension gap supplement plan.

Detailed Description Text (100):

The logic proceeds with block 230, which receives input from the Participants' Data of the participant's identification in either numeric or alphabetic form from the applicable source. If there is more than one participant to be included, a census may be inputted. If a participant census is not available, the participants are grouped by age cells based on agreed upon assumptions provided by the consultant or plan sponsor.

Detailed Description Text (105):

Block 240 receives input from the Participants' Data of each participant's assumed life expectancy. The input is based on the participant's personal planning assumptions, assumptions provided by the plan sponsor or actuarial tables. For example, if the plan sponsor desires to use a life expectancy of age 90, then age 90 is entered.

Detailed Description Text (106):

Block 242 receives input from the Participants' Data of the assumed rate of return for the current benefit plan. The rate of return is either the actual historical life of plan rate-of-return or an assumed rate of return provided by either the participant or the plan sponsor. Where a current plan exists, the participant or plan sponsor may provide the historical rate-of-return. For example, if a participant's 401 (k) has yielded an average annual total return of 10%, then 10% will be entered for a 401 (k) replacement plan. Comparatively, if a defined benefit pension plan benefit is projected using an actuarial calculation based on an 8% rate of return, the 8% is entered for a defined benefit replacement plan.

Detailed Description Text (111):

Moving to FIG. 9, the logic continues with the Replacement Plan Central

Administration System, which administers the replacement plan by tracking the participants, measuring the benefit liabilities, generating accounting reports and issuing benefit distribution payments. The administration system is activated when the plan sponsor accepts a replacement plan for implementation. This database is maintained by the entity providing administrative services, such as a third-party administrator (TPA).

Detailed Description Text (113):

In Block 262, Participant Data is entered from the Replacement Plan illustration in Block 230, FIG. 8. If the census has changed since the last illustration, it is updated by the generation of a final implementation illustration, which is signed by the plan sponsor to verify the accuracy of the census data and plan design.

Detailed Description Text (114):

In Block 264, Replacement Plan Data is received from the Replacement Plan Menu, Block 200, FIG. 7, identifying the replacement plan selected. This input will trigger the administration format to be used by the database software for administering the plan. The specific plan design details and variations are entered in Block 262.

Detailed Description Text (116):

In Block 268, Participant Transactions inputs are received from Block 289, FIG. 10 and entered into the database in Block 260. These transactions are generally initiated by the participant, but may be initiated by the plan sponsor on behalf of the participant. For example, the participant may make a beneficiary change, while a plan sponsor will notify the administrator of a participant's employment termination,

Detailed Description Text (117):

In Block 270, Replacement Plan Transactions inputs are received from Block 302, FIG. 11 and entered into the database in Block 260. These transactions may include such inputs as changes to the plan design, changes in asset allocation, contribution changes and changes in planned distributions.

Detailed Description Text (119):

In Block 273, the Plan Sponsor Data input is received from Block 464, FIG. 16, which is the plan sponsor data used in the marketing process. If any data has changed during the marketing process, it should be updated before entering the information into Block 273.

Detailed Description Text (122):

In Block 277, the administration computer will generate the Plan Sponsor's Administrative Guide. This document, delivered in hard copy or electronically, provides comprehensive details of the plan design and administrative requirements that must be met. The plan sponsor may elect to self-administer the plan or use the services of an outside provider. The contents of the Administrative Guide are unique for each replacement plan design, with a pre-written text that can be customized for the plan specifics.

Detailed Description Text (123):

Specimen 2 is a representation of the contents of a sample Plan Sponsor's Administrative Guide. The specimen presents a typical Table of Contents, which details the myriad of information items that can be included in a guidebook. Each Replacement Plan will have a unique Table of Contents tailored to the particular plan design. Likewise, each plan sponsor can have particular content to be included in the guidebook that is unique to the plan sponsor's methods of accounting or philosophy of doing business. The development of each Administrative Guide is a joint effort between the plan sponsor and the plan administrator to develop an useful tool for maintaining the integrity of the Replacement Plan and keeping all parties properly informed regarding the success of the plan in fulfilling the plan

sponsor's objectives and goals in a cost-effective manner.

Detailed Description Text (124):

The sample Table of Contents for a Replacement Plan for a non-qualified deferred compensation plan funded with a life insurance policy. Each section contains needed reference materials. Section 1 provides information about the plan administrator and the contact listing for all parties involved. Section 2 explains the evolution of the plan design and its purpose for future management, who may not be a party to the replacement plan's implementation. Section 3 describes the process and criteria used to select the funding product and the particular investment options within that product. Section 4 includes the Replacement Plan Illustration and provides a place for annual performance reviews to measure the actual performance against the projected performance originally illustrated. Section 5 delineates the Plan Administration mechanics, with separate procedures for the phase of the plan in which the assets are being accumulated and the phase of the plan when the assets are being paid as benefits to the participants. In addition, Section 5 includes the procedures and forms to be used for participant transactions (ref. FIG. 10). Section 6 provides the procedures and instructions for transferring contributions into the Replacement Plan funding system, which is this invention. Section 7 is a calendar of events that need to be executed to efficiently service the Replacement Plan. The calendar is included as part of Specimen 2. Section 8 is the legal agreement that details the expectations of both the plan sponsor and the plan administrator in providing the plan servicing. Section 9 provides samples of the routine and custom reports generated by the plan administration system for both the plan sponsor and the participant. These reports will be further explained as additional specimens. Section 10 provides the plan sponsor with the forms needed for the life insurance policy and participant administration. Of course, the form and substance of such a manual is subject to change, and it may be provided in different formats, including electronically provided directly or indirectly from the Replacement Plan Administering Computer 20 to the Plan Sponsor's Computer 22 via a network.

Detailed Description Text (125):

In Block 279, the administrative computer will generate the Participant Enrollment Kit. This document, delivered in hard copy or electronically, provides the participant with the details of the replacement plan design, the final implementation illustrations, which detail the benefits of the plan for the participant, and the forms needed for the participant to enroll in the plan. The contents of the Enrollment Kit are unique for each replacement plan design, with a written text that can be customized for the plan specifics. The kit may also include information about the available ancillary individual financial services, as well as financial planning tools to help participants take the best advantage of the plan for their personal goals and objectives. For example, model portfolio asset allocations can be provided for the available investment choices, showing the various expected rates-of-return and associated risks.

Detailed Description Text (126):

In Block 255, a Benefit Payment Authorization is received from the Benefits Trust, if a trust exists, Block 978, FIG. 32, directing the Plan Administrator to issue a benefit check to either the participant or the plan sponsor for the benefit of the participant. The amount of the payment is entered, as well as the currency denomination in which it is to be issued.

Detailed Description Text (129):

In Block 258, the administrative software calculates the Benefit Plan Liabilities. The calculation is performed by executing an equation that applies the actual investment returns for the investment options selected to the existing balance from the time of the participant's enrollment in the plan until the date of the current reporting period. The liabilities are calculated for each participant of each type of replacement plan, for each plan sponsor.

Detailed Description Text (130):

In Block 276, the administrative computer accumulates the available data and generates the Output Reports, as described in Block 380, FIG. 14. The output reports are prepared for the plan sponsor, participant and Trustee of the benefits trust.

Detailed Description Text (134):

In Block 281, the changes to the Participant's Beneficiary Designation are entered. It is intended that the replacement plans will all be placed to the participant's heirs via beneficiaries and therefore, avoiding the probate procedures of the participant's jurisdiction of domicile.

Detailed Description Text (135):

In Block 282, the changes to the Participant's Asset Allocation are entered. The participant's asset allocation will usually be different from the plan sponsor's allocation. The participant is allocating the investment choices included in the replacement plan, while the plan sponsor is allocating the actual investments being used to fund the plan's benefit liabilities. The participant's asset allocation is actually a phantom account used solely to measure the growth of the participant's benefit liability. The participant's asset allocation changes are also communicated to the Trust, Block 970, FIG. 32, and the plan sponsor, Block 407, FIG. 15, for use in adjusting the asset allocation of the assets held in the Trust. In addition, the participant's asset allocation changes the Replacement Plan Administrative System's Funding Transactions database, Blocks 312 and 324, FIG. 12, for use in determining the transfer of assets in and out of the equity and bond portfolios.

Detailed Description Text (136):

In Block 284, the Participant's Termination Date is entered. In the event the plan sponsor terminates the participant from the plan, either the plan participant or the plan sponsor enters the effective date of the termination. The termination date is used by the plan administrator to determine the participant's eligibility for future benefits for some plans. However, in other plans, such as the Cost Reduction Incentive Plan, the benefits are determined by vesting, and therefore, if termination occurs the day after the employee becomes a participant in the plan, the accrued benefits will not be affected by the termination.

Detailed Description Text (141):

In Block 290, Changes in Plan Provisions are received from the Plan Sponsor, Block 22, FIG. 2, entered and recorded in the Replacement Plan Central Administrative Database. These transactions will generally be amendments to the plan, which may include changes in the vesting provisions, changes in eligibility requirements, changes in benefit formulas, and any other provisions that might change the plan design.

Detailed Description Text (142):

In Block 292, Changes to the plan sponsor's Asset Allocation are received from the plan sponsor, Block 407, FIG. 15, entered and recorded in the Replacement Plan Central Administrative Database. Although the Trustee is ultimately responsible for the asset allocation, the plan sponsor can assist by working with the Trustee to determine the allocation of the funding assets that will best equal or exceed the liabilities created by the participants' allocation of the hypothetical investments.

Detailed Description Text (143):

In Block 294, Changes in Plan Contributions are received from the plan sponsor, Block 404, FIG. 15, entered and recorded to the Replacement Plan Central Administrative Database. A change in the plan contribution does not usually require an amendment to the plan document. Contribution changes are used to makeup under-funding deficits, compensate for over-funding, and increase the benefits payable.

For example, if the Trustee determines that the trust assets have out-performed to liability created by the participants' allocations, the next contribution may be reduced to take advantage of the investment performance.

Detailed Description Text (145):

In Block 298, Plan Distributions resulting from activating Plan Triggers are received from the plan administrator, entered and recorded in the Replacement Plan Central Administrative Database. Certain provisions can be added to the plan document that will trigger a distribution. For example, a plan provision might call for a distribution of the plan assets to the participants in the event of a hostile takeover of the plan sponsor.

Detailed Description Text (150):

Moving to FIG. 12, the Funding Transactions are entered and recorded in the Replacement Plan Central Administrative Database. The funding transactions include accounting for the growth of the participants' benefit liabilities. For the replacement plan, the participant will choose from a selection of investment vehicles or more likely, a selection of investment performance indices. The performance of the investments selected will determine the growth of the participants' benefit liabilities. However, the funding transaction addressed by this portion of the invention is a phantom account only and functions independently of the asset management associated with funding the plan. For example, the participant may select the S&P 500 Index Fund and a Salomon Government Bond Index for his/her investment selections, but no assets will actually be transferred into funds simulating those indices. The plan sponsor has the responsibility for investing the contributions made into the plan to meet the liabilities created by the participants.

Detailed Description Text (154):

In Block 316, any dividends received from equity investments are received directly from the Internet or some other electronic medium and are entered. Dividends are recorded on the distribution date.

Detailed Description Text (155):

In Block 318, realized and unrealized capital gains and losses from the sale of any equity assets are received Internet or some other electronic medium and entered. Mutual fund type equity investments have periodic capital gains and losses distributions from assets sold inside the fund.

Detailed Description Text (157):

In Block 322, the investment management Charges and Fees are calculated, if they are not included in the asset value. If a \$10,000.00 equity investment is the plan sponsor's stock, and a fee of 1% can be charged to sell the shares held, the \$100.00 transaction fee can be calculated.

Detailed Description Text (160):

In Block 327, the interest earned during the period received directly from the Internet or some other electronic medium is entered. Interest income is usually credited on a daily basis.

Detailed Description Text (161):

In Block 328, any realized and unrealized capital gains are received directly from the Internet or some other electronic medium and are entered.

Detailed Description Text (166):

Turning to FIG. 13, the Participant's Data is entered for the generation of the replacement plan illustration in FIG. 8. In addition to providing the needed data for comparative illustrations, the objective is to determine the origin of the participant to better design the benefits solution.

Detailed Description Text (167):

As described in FIG. 2, there are at least two alternative approaches to collecting data. Either the logic is initiated by a consultant acting on behalf of a plan sponsor or by the plan sponsor directly. In Block 362, the data source is selected.

Detailed Description Text (168):

In Block 364, the plan sponsor's computer provides the consultant's computer, Block 366, with the needed data, which includes the participants' data and the plan sponsor data. The data will contain the participants' identification, contribution amounts, current account values, current ages, distribution ages, investment return, life expectancies, payment method, tax brackets, and any other needed data. The plan sponsor data can include the business name, address, communication numbers, investment return assumption, tax bracket, and any other needed data.

Detailed Description Text (169):

In Block 366, the consultant can add additional data to the plan sponsor's data and transmit it the participants' data to the replacement plan illustration system through Block 350, FIG. 13, and the plan sponsor data to the marketing computer through Block 464, FIG. 16.

Detailed Description Text (170):

In Block 368, the plan sponsor provides the needed participant directly to the illustration system through Block 350, FIG. 16 and the plan sponsor data to the marketing computer through Block 464, FIG. 16.

Detailed Description Text (171):

In Block 350, the Participant's Data is received from either the consultant or the plan sponsor and entered. The data input can include the participant's identification (either name or government identification number), age, citizenship, employment status, home country, host country, plan sponsor's home and host countries, distribution age, and the other data needed for illustrating a replacement plan.

Detailed Description Text (179):

In Block 380, the available reports are listed. The menu is expandable and additional reports can be added at the request of the plan sponsor or as needed by the plan administrator.

Detailed Description Text (180):

In Block 382, the Plan Sponsor Statement of Liabilities is selected. The quarterly liabilities statement is the principal report used by the plan sponsor and provides a listing of the plan sponsor's plans by participant. It is produced by aggregating all of the Participant's Statements of Account (see Specimen 3) and totaling the ending account balances, which is the total plan sponsor's liability. The statement can be produced monthly, quarterly, semi-annually and annually, or upon special request. The report is transmitted to the Plan Sponsor's Computer in Block 401, FIG. 15.

Detailed Description Text (182):

Specimen 3 is a representative sample of a Participant's Statement of Account for a Replacement Plan for a Deferred Compensation Plan. The Beginning Balance is the value of the benchmark investments at the beginning of the measurement period, which is normally the Ending Balance of the previous participant statement. The Deferral (contribution) amounts include all new funds contributed by the participant and/or plan sponsor during the measurement period to the Replacement Plan. Under each benchmark fund is listed the source of the contribution, which can change depending on the plan design. The Transfers Realign column indicates the new funds moved into benchmark investments, as well as asset allocation changes. Positive entries represent money transferred in and negative entries represent

money transferred out. Positive entries and negative entries must balance to zero. Benefit Payments made to the participant are subtracted from the appropriate funds. The Earnings column includes all earnings or (losses) during the measurement period. The Ending Balance is the sum of the other columns and represents the plan sponsor's liability to the participant. The Ending Balance will be the Beginning Balance for the next reporting period.

Detailed Description Text (183):

In Block 386, the Plan Sponsor Asset Allocation Report is selected. The asset allocation report displays the current asset allocation of the total participant population for each of the plan sponsor's plans. The report can also have a summary of the performance of the participant's total allocation to use to compare to the performance of the plan sponsor's asset allocation used to fund the plan. The plan sponsor uses this report to determine the need to reallocate the plan sponsor's funds invested to meet the participant liabilities. This report is transmitted to the plan sponsor's computer in Block 402, FIG. 15.

Detailed Description Text (184):

Specimen 4 is a representative sample of the Plan Sponsor Asset Allocation Report for a Replacement Plan for a Deferred Compensation Plan. The current hypothetical fund allocation is the aggregate allocation of all participants benchmark fund balances. The allocation is presented in both currency and percentages. Each benchmark investment is listed, with the fund manager's name for reference. The amounts invested in each fund by all participants are provided as the Total Balance. The percentage of each fund to the total is displayed in the Allocation column. The percentage allocation will always total to 100%.

Detailed Description Text (185):

In Block 388, the Plan Sponsor Payment Summary is selected. This report summarizes the benefit payments that have been made during any reporting period for each participant. The plan sponsor uses this report for budgeting. This report is transmitted to the plan sponsor's computer in Block 404, FIG. 15.

Detailed Description Text (186):

Specimen 5 is a representative sample of a Plan Sponsor's Payment Summary report for any Replacement Plan. The Payment Summary provides the plan sponsor with a summary of payment activity by participant. Payments are segregated on the report by source and benchmark fund.

Detailed Description Text (187):

In Block 390, the Plan Sponsor Asset and Liability Comparison Report is selected. This report compares the plan sponsor's benefit liabilities for a particular plan to the plan sponsor's assets invested to fund the liabilities. To the extent there is a surplus or deficit of assets, the plan sponsor uses the report to measure the variance and adjust the investment strategy and/or contribution level to meet the objectives. This report is transmitted to the plan sponsor's computer in Blocks 406 and 408, FIG. 15.

Detailed Description Text (188):

Specimen 6 is a representative sample of the Plan Sponsor Asset and Liability Comparison Report for a Replacement Plan for a Deferred Compensation Plan. This report is an expanded version of the Plan Sponsor Asset Allocation Report (see Specimen 4). Like the Asset Allocation Report, the Liability Fund Balance section is reporting the aggregate allocation of all participant fund balances in the Total Balance column. In addition, in the Vested Balance column, it details the vested liability balances of the participant liabilities. In the Asset Fund Balance section, the plan sponsor's actual investments held in the insurance policy owned by the Trustee of the Benefits Trust (FIG. 32) are itemized by investment manager. The Vested Balance column is reserved for detailing those assets that are vested and pending distribution as benefit payments. At the bottom of the report the

Difference line calculates the amount of plan liabilities over and above the assets available to fund the replacement plan held in the trust.

Detailed Description Text (189):

In Block 392, the Plan Sponsor Contribution Confirmation report is selected, which confirms the receipt of cash contributions to a plan. The report shows the amount of the contribution and compares it against the amount scheduled to be contributed. This report is transmitted to the plan sponsor's computer in Block 404, FIG. 15.

Detailed Description Text (190):

Specimen 7 is a representative sample of the Plan Sponsor Contribution Confirmation report for a Replacement Plan for a Deferred Compensation Plan. Confirmation statements are produced for various transactional activities with the Replacement Plan administration process. The most frequently generated confirmations are for contributions, asset allocation changes and benefit payments. The Contribution Confirmation is sent to the Plan Sponsor to confirm the source, amount and allocation of any contribution made to the Replacement Plan trust investments on behalf of each participant. Confirmations can also be sent to participants.

Detailed Description Text (192):

Specimen 8 is a representative sample of the Participant's Hypothetical Fund Investment Performance Report for a Replacement Plan. This report summarizes the investment activity of all hypothetical benchmark funds associated with the participant's Replacement Plan benefit liability during the reporting period. This report provides the participants a detailed accounting of the fluctuations associated with their multiple benchmark portfolio. The Percentage Change in Value and YTD Percentage Change columns help participants analyze the earnings and losses in their hypothetical portfolio. The data is downloaded from the fund managers or through a network to produce the report.

Detailed Description Text (196):

Turning now to FIG. 15, the logic continues with the plan sponsor's accounting for the replacement plan in its financial statements. The accounting is an important part of the plan sponsor's decision to implement a replacement plan. In this invention, at least two accounting scenarios are available. The first is the traditional method of accounting for the benefit as a balance sheet liability and the increase in benefits as an earnings statement item.

Detailed Description Text (197):

The second scenario, not readily available before this invention, is the assumption of the fiduciary responsibility for the benefit liability by a third-party benefit provider. In this case, the plan sponsor out-sources the entire benefit liability and the accounting is limited to an expense entry. The provider then assumes the fiduciary responsibility of the plan sponsor.

Detailed Description Text (200):

In Block 405, the total contribution is recorded as an ordinary business expense on the earnings statement, and may be a tax-deductible item, depending on the plan sponsor's tax situation. No further plan sponsor accounting is required.

Detailed Description Text (201):

If the liability is not being assumed, Block 401 receives an input of the plan liabilities from the Plan Administrator's Statement of Liabilities Report in Block 382, FIG. 14. Generally, plan sponsors prepare quarterly financial statements, and therefore, the plan administrator prepares reports quarterly. However, reports and reports can be prepared at any interval.

Detailed Description Text (202):

Block 402 receives input of the Plan Assets from the Plan Administrator's Asset Allocation Report, Block 386, FIG. 14. The plan assets are the total of the assets

held in trust to fund the plan sponsor's plan.

Detailed Description Text (207):

In Block 410, the Impact on the Earnings Statement is calculated. The calculation is based on the difference between the financial results with and without the replacement plan. Depending on the replacement plan design, the earnings impact may be different for each plan design. The plan design system includes the earnings impact calculation, but in general, the earnings impact will be the increase in earnings on the benefit liabilities.

Detailed Description Text (208):

In Block 412, the Impact on Cash Flow is calculated. The calculation is based on the difference between the financial results with and without the replacement plan. Depending on the replacement plan design, the cash flow impact may be different for each plan design. The plan design system includes the cash flow impact calculation, but in general, the cash flow impact will be the increase in contributions and benefits paid.

Detailed Description Text (209):

In Block 414, the Impact on the Balance Sheet is calculated. The calculation is based on the difference between the financial results with and without the replacement plan. Depending on the replacement plan design, the balance sheet impact may be different for each plan design. The plan design system includes the balance sheet impact calculation, but in general, the balance sheet impact will be the increase in benefit liabilities.

Detailed Description Text (212):

In Block 452, the decision to prepare a Proposal is entered. A proposal is prepared for a potential plan sponsor that wants to analyze the financial and human resources impact of installing a replacement plan.

Detailed Description Text (213):

If not preparing a proposal, Block 454 receives input of Marketing Activities from the illustrations that are generated and from the consultant's activities reported from Block 524, FIG. 18. Marketing activities include such information as the plan sponsor's name, location, plan design, date of last contact, date of next contact, marketing process status, marketer's name and company, and similar information that might be needed by management.

Detailed Description Text (214):

Block 456 Tracks the Marketing Activities using database software to organize the marketing data. It is anticipated that there will be several marketers from different companies marketing the replacement plans. The tracking system will track the marketing activities by marketer and by plan design. For example, the database will track the activity for ABC Consulting Firm, while also tracking all of the firms that have presented a particular replacement plan, such as the Private Stock Option Plan.

Detailed Description Text (215):

In Block 458, the database generates a periodic Marketing Activity Report in written and electronic formats. The report details the information in the database relative to calls, prospects, proposals outstanding, and other related information, organized by marketer and plan design. The report is updated at least weekly and can be accessed electronically at any time.

Detailed Description Text (216):

In Block 460, the database generates a periodic Marketing Status Report in written and electronic formats. The report details the information in the database relative to the progress of plan sponsor's through the sales and implementation processes organized by marketer and plan design. The report can also contain completed sales

transactions with marketer's revenue totals. The report is updated at least weekly and can be accessed electronically at any time.

Detailed Description Text (218):

Block 464 receives an input of the plan sponsor's data from the consultant's computer, Block 366, FIG. 13, or from the plan sponsor's computer, Block 368, FIG. 13. The plan sponsor data includes the plan sponsor's name, address, contact persons, decision makers, telephones, faxes and e-mails, current plan data, replacement plan interest, tax data, and other pertinent information. This data is also transmitted to Block 273, FIG. 9, which is the Plan Administration Database.

Detailed Description Text (219):

In Block 466, the Proposal Documents are generated for presentation to the client. The proposal is comprised of the Replacement Plan illustrations and text, which has been customized to conform to the plan sponsor's data. The proposal text will parallel the Plan Sponsor's Administrative Guidebook (see Specimen 2) in form and content, except that it will be presented in more of a marketing format. It will explain the purpose of the Replacement Plan and the rationale for the plan design, as well as detail the product selection process and the conclusions on product and investment options selection. In addition, the implementation and participant enrollment procedures are outlined. Likewise, the plan administration services can be outlined to ensure the long-term success of the Replacement Plan. The text supporting the Replacement Plan illustration can explain the financial impact of the Replacement Plan's economics on the plan sponsor's financial statements. The proposal is manually packaged for presentation to the client.

Detailed Description Text (223):

Turning now to FIG. 17, the system provides ancillary financial services to the replacement plan participants, which are intended to assist them in their individual financial affairs and supplement the benefits provided through the replacement plan. The services are provided by world-class financial institutions with extensive expertise and experience. The services are accessible through the Internet, telephone, fax, mail, e-mail and any other practical means. These services do not require a plan sponsor, but may be endorsed by a plan sponsor. They can also be offered as stand-alone services, not connected to a replacement plan.

Detailed Description Text (224):

The logic continues in Block 480, which receives an input of the Eligible Employees from the Consultant's Computer 64, FIG. 1, the Plan Administration Central Database, Block 260, FIG. 9, and/or the Plan Sponsor's Computer 22, FIG. 2. The participant can also make direct contact through the Participant's Computer 68, FIG. 2. To control the access, a password may be used. Eligibility is based on being a plan participant and/or enrolled by a consultant or provider, with sufficient assets to benefit from the services, as defined by the providers.

Detailed Description Text (225):

The logic continues in Block 482 where the eligible participants are contacted in writing or electronically to inform them of the services. Notification may also be provided in the replacement plan participant's enrollment kit with the plan sponsor's approval.

Detailed Description Text (226):

In Block 484, the participant may access the services via the Internet or some alternative network.

Detailed Description Text (227):

In Block 486, the participant responds by using the Participant's Computer 68 to access the Internet or other network to review the selection of available products and services.

Detailed Description Text (229):

In Block 500, Private Banking Services is selected and the participant is presented a menu of products and services from which to choose those that are of most interest or best suits the participant's needs. Each institution will decide independently which services to provide, but the typical services include cash management, lending, letters-of-credit, personal financial statement preparation, and other similar services. As the participant selects a particular product or services, a list of providers of the particular products or services can be displayed, from which the participant makes a selection. At that time, the selected provider's marketing and other presentation materials will be displayed on the Internet/network for the participant's review. The participant may subsequently contact the selected provider by telephone, fax, letter, e-mail, or directly through the network being used. This initial contact can be to obtain additional information or to transact business. The providers' computers will store independent software programs to prepare and provide the products and services being offered by that provider. To build the system to provide the services in Block 500 simply requires the adaptation of the providers' current computer that are being used to provide traditional transactional banking services, such as checking accounts, loans, and other similar services.

Detailed Description Text (230):

Specimen 10 is a representative sample of a draft brochure offering private banking services for overseas participants. The brochure offers the services needed by participants and can be accessed by the Internet.

Detailed Description Text (232):

In Block 502, Investment Management Services is selected and the participant is presented a menu of products and services from which to choose those that are of most interest or best suits the participant's needs. Each institution will decide independently which services to provide, but the typical services include asset allocation, fixed income management, equity management, tax-efficient investments, Guaranteed Return Income Plan, performance reporting, manager selection, and other similar services. As the participant selects a particular product or services, a list of providers of the particular products or services can be displayed, from which the participant makes a selection. At that time, the selected provider's marketing and other presentation materials will be displayed on the Internet/network for the participant's review. The participant may subsequently contact the selected provider by telephone, fax, letter, e-mail, or directly through the network being used. This initial contact can be to obtain additional information or to transact business. The providers' computers will store independent software programs to prepare and provide the products and services being offered by that provider.

Detailed Description Text (234):

The third step in providing investment management services involves administering the strategic investment plan in accordance with the investment policy. If desired, a different software package can be used to administer the investments. This software can track cost basis, investment amounts, investment performance, and tax consequences, while producing reports that show the participant how the portfolio is performing by asset class, subclass, and individual investments. This administration database software can also be used to track the performance of independent investment managers, who may be selected by the participant to manage investments, by compiling the data from their periodic reports or by direct download via the Internet or other network.

Detailed Description Text (236):

Specimen 15 is a representative sample of a Strategic Investment Plan for a Replacement Plan Participant that can be provided through the Investment Management Internet Services and the Financial Planning Internet Services. The Strategic Investment Plan (SIP) divides the participant's investable assets into the four

main asset classes of cash, fixed income, equities, and hard assets. Based on a separate financial analysis, the Strategic Allocation benchmark is shown on the left of each asset class and is designed to result in a 10% net after-tax rate-of-return, based on historical data using Modern Portfolio Theory. Each asset class is divided into sub-classes, with specific investments selected for each sub-class. The Security Percent Allocation for each specific investment is then shown. Based on the specific allocation, the Asset Class Allocation is determined for comparison to the Strategic Allocation. In this representative sample, the 63.61% equity allocation exceeds the Strategic Allocation of 55% and the hard asset allocation is less than the 10% Strategic Allocation, which reflected the participant's personal desire to not invest in real estate or other hard assets. At the end of the schedule, the percentages all add to 100% and the total of the allocations to the investment securities totals the available investable assets.

Detailed Description Text (238):

In Block 504, Financial Planning Services is selected and the participant is presented a menu of products and services from which to choose those that are of most interest or best suits the participant's needs. Each institution will decide independently which services to provide, but the typical services include tax planning, cash flow planning, retirement planning, investment planning, estate planning, insurance planning, education funding, specific goals funding, and other similar services. As the participant selects a particular product or services, a list of providers of the particular products or services can be displayed, from which the participant makes a selection. At that time, the selected provider's marketing and other presentation materials will be displayed on the Internet/network for the participant's review. The participant may subsequently contact the selected provider by telephone, fax, letter, e-mail, or directly through the network being used. This initial contact can be to obtain additional information or to transact business. The providers' computers will store independent software programs to prepare and provide the products and services being offered by that provider.

Detailed Description Text (242):

In Block 506, Estate Planning Services is selected and the participant is presented a menu of products and services from which to choose those that are of most interest or best suits the participant's needs. Each institution will decide independently which services to provide, but the typical services include current estate analysis, host country jurisdictional analysis, current will review, current trust review, multi-jurisdictional estate planning, legal referral service, trust services, estate settlement services, and other similar services. As the participant selects a particular product or services, a list of providers of the particular products or services can be displayed, from which the participant makes a selection. At that time, the selected provider's marketing and other presentation materials will be displayed on the Internet/network for the participant's review. The participant may subsequently contact the selected provider by telephone, fax, letter, e-mail, or directly through the network being used. This initial contact can be to obtain additional information or to transact business. The providers' computers will store independent software programs to prepare and provide the products and services being offered by that provider.

Detailed Description Text (246):

In Block 508, Relocation Services is selected and the participant is presented a menu of products and services from which to choose those that are of most interest or best suits the participant's needs. Each institution will decide independently which services to provide, but the typical services real estate brokerage services, education/school location services, language services, local area familiarization services, efficient buying services, moving services, and other similar services. As the participant selects a particular product or services, a list of providers of the particular products or services can be displayed, from which the participant makes a selection. At that time, the selected provider's marketing and other

presentation materials will be displayed on the Internet/network for the participant's review. The participant may subsequently contact the selected provider by telephone, fax, letter, e-mail, or directly through the network being used. This initial contact can be to obtain additional information or to transact business. The providers' computers will store independent software programs and databases to prepare and provide the products and services being offered by that provider.

Detailed Description Text (248):

In Block 498, the participant decides to access Other Services, which are provided by one or more financial institutions. Each institution will decide independently which services to provide through the network created by this invention, and the methodology follows the same logic as described for the other services.

Detailed Description Text (249):

In Block 512, the usage of the Internet/network services is recorded by contacts made by participants to each provider and transmitted to the Revenue Accounting Computer 72, at Block 1238, FIG. 37.

Detailed Description Text (252):

The consultant's computer uses data received from tax and accounting compliance computers, Block 521, to design and maintain benefit plans. These computers may be linked to the Internal Revenue Service or other compliance agencies.

Detailed Description Text (254):

In Block 524, the consultant provides input to the Central Computer, Block 2, FIG. 2, to start the process of designing a replacement plan for the consultant's client. The Plan Administration Computer also receives information, from which reports are prepared and sent to the consultant for review in Block 522. The consultant performs the needed activities to review the reports and advises the client. The consultant may also provide additional input to the Central Computer, which may result in changes to the plan design or funding. New reports are generated, sent to the consultant, and the logic continues. Replacement Plans marketing activities are also transmitted to the Marketing Computer 50 through Block 454, FIG. 16, for the preparation of the marketing activity report.

Detailed Description Text (255):

Moving to FIG. 19, the Replacement Plan Investment Funds Database records and accounts for the plan sponsors' assets, which are being invested by the money managers, who are acting as "sub-advisors" under the replacement plan arrangement. The sub-advisors are holding the only tangible assets for funding the replacement plan. The sub-advisors are substantial world-class financial institutions with extensive expertise and experience in managing money.

Detailed Description Text (258):

Block 606 receives input from the Trustee, Block 972, FIG. 32, on the investment policy for the various managers, based on the investment objectives of the plan sponsor. Each replacement plan will have an investment policy drafted by the Trustee and investment advisor to outline the parameters and limits for the sub-advisors investing the funds. An investment policy provides the sub-advisor with guidelines for making investments. For example, an investment policy may have a provision stating that only the stock of domestic companies with a certain market capitalization size, which do not manufacture guns or tobacco, are to be purchased.

Detailed Description Text (282):

Specimen 14 is a representative sample of the Product Specifications for this new form of Group Private Placement Variable Universal Life Insurance Policy. The specimen outlines the design purpose of the contract, the unique ownership by an offshore trust, the special application of underwriting to lower risks associated

with insuring foreign lives, and the flexible "dial-in" design features. The built-in charges are also specified, as well as the preferred investment options and world-class sub-advisors.

Detailed Description Text (292):

In Block 716, the Cash Value Reports are generated and transmitted to the Trustee in Block 958, FIG. 32. The Cash Value Report sent to the Trustee can be the aggregate assets of several plan sponsors' Replacement Plans or for a single plan, depending on the trust design. A Master Trust will tend to aggregate funds for several plans. An abbreviated Cash Value Report can be sent to the plan sponsor for each Replacement Plan.

Detailed Description Text (295):

Specimen 13 is a representative sample of a Plan Sponsor's Cash Value Report for a Private placement Variable Universal Life Insurance Policy used to fund a Replacement Plan. This report is Replacement plan specific and lists the cash value attributable to each participant, identified by a contract or certificate number. The Premium is itemized, from which is subtracted the Premium and DAC Tax Expense, the Administrative Fee and the Cost of Insurance to provide the Pre-Earnings Balance. The Investment Experience, which is the earnings, is added to produce the Ending Cash Value for the participants. The Total of the participant's cash values is the asset that offsets the total participants benefits liability.

Detailed Description Text (317):

Block 771 receives an input of the number of Units Opening Value, which is the Units Closing Balance of the prior period. At the policy's issue, a certain number of units are assigned. Generally, the premium is buying the units, with a \$10.00 value per unit, meaning that a unit is designated for each \$10.00 of premium.

Detailed Description Text (370):

Block 920 receives a completed Death Claim Notification Form from the policy owner, which is the Trustee, Block 974, FIG. 32. Prior to the participant's benefit distributions being completed, it is expected that the participant's heirs will provide notification to the Trustee as they apply for the decedent's benefits. After the benefit distributions have been completed, it may be more difficult to locate deceased participants, especially on a global basis. For U.S. citizens, Social Security records are a source for locating decedents. Likewise, other countries may provide records of decedents. Plan Sponsor's are also good sources for decedent information as heirs submit claims for other benefit programs. As a failsafe, the life insurance policy is designed to mature at a specific age (e.g., endowment at age 85), at which time the policy will mature and the benefits paid to the Trustee.

Detailed Description Text (380):

Block 954 receives the Plan Sponsor Data input from the Plan Administration Central database, Block 261, FIG. 9 via electronic download. The Trust will receive the same Plan Sponsor data and information as maintained by the Plan Administrator.

Detailed Description Text (383):

Block 961 receives the Benefits Claims data from the Participant's Computer 68 via Blocks 288 and 289, FIG. 10, and from the Plan Sponsor via the Replacement Plan Provisions sent from Block 304, FIG. 11.

Detailed Description Text (388):

If the benefit liability and fiduciary responsibility remains with the plan sponsor, the calculation is performed for each replacement plan for each plan sponsor. For example, if USCo is sponsoring a synthetic defined contribution plan, with current liabilities of \$10,000,000.00 and dedicated trust assets of \$10,500,000.00, the plan is over-funded by \$500,000.00.

Detailed Description Text (398):

In Block 982, the Master Trust generates Output Reports, detailing the assets under management, the asset allocation, the benefit claims paid and pending, the accounting reconciliations, the investment transactions, and similar reports, as needed for specific purposes. The Master Trust Output Reports generated will be unique to the system in place and used by the Trustee for the Replacement Plan. The Trustee for this invention is anticipated to be a major international financial institution with established systems and a global custody network for tracking assets held by investment managers in most major countries of the world. This invention will interface with the Trustee's existing systems to produce a seamless service network system. Where adaptations are required, they will need to be customized for the end user.

Detailed Description Text (400):

Continuing to FIG. 33, an "Unfunded, Deferred Taxation Sub-Trust" is created by the Master Trust or alternatively, by the Plan Sponsor, for certain Benefit Replacement Plans. Specific types of Sub-Trusts are created for certain replacement plans depending on the plan design and/or the plan sponsor's preferences. This particular trust is considered unfunded and defers taxation based on the existence of certain "Risks of Forfeiture." In the U.S., as in most jurisdictions, to avoid current taxation of contributions made into an "unfunded" benefit trust, substantial risks of forfeiture must exist to avoid current taxation. Typically, substantial risks include change of control, change of heart, inability to pay benefits and plan sponsor bankruptcy. The participant is, in effect, a general creditor of the plan sponsor. If the plan sponsor's objective is to tie the participants to their employment with the plan sponsor, the unfunded trust will accomplish that objective for most replacement plans.

Detailed Description Text (404):

Block 1006 receives Plan Sponsor Data input from the master Trust, Block 986, FIG. 32, for the particular plan that is to be maintained within the sub-trust.

Detailed Description Text (418):

In Block 1034, the sub-trust generates accounting reports to be submitted to the Master Trust, Block 980, FIG. 32. The reports will include a transactions log, accounting reports delineating contributions (principal) and earnings (income), claims and benefit payments logs, and other reports needed to manage the replacement plans. The Sub-Trust Accounting Reports generated will be unique to the system in place and used by the Trustee for the Replacement Plan. The Trustees for this invention are anticipated to be major international financial institutions with established systems and a global custody network for tracking assets held by investment managers in most major countries of the world. This invention will interface with the Trustee's existing systems to produce a seamless service network system. Where adaptations are required, they will need to be customized for the end user.

Detailed Description Text (419):

Continuing to FIG. 34, an "Funded, Immediately Taxable Participant Sub-Trust" is created by the Participant through the Master Trust for certain Benefit Replacement Plans, where the participant is deemed to own the trust and corresponding assets. This particular trust is considered funded and subject to immediate taxation when the contribution is made. The plan sponsor receives a corresponding tax deduction when the contribution is made.

Detailed Description Text (423):

Block 1056 receives Plan Sponsor Data input from the master Trust, Block 986, FIG. 32, for the particular plan that is to be maintained within the sub-trust.

Detailed Description Text (437):

In Block 1084, the sub-trust generates accounting reports to be submitted to the

Master Trust, Block 980, FIG. 32. The reports will include a transactions log, accounting reports delineating contributions (principal) and earnings (income), claims and benefit payments logs, and other reports needed to manage the replacement plans. The Sub-Trust Accounting Reports generated will be unique to the system in place and used by the Trustee for the Replacement Plan. The Trustees for this invention are anticipated to be major international financial institutions with established systems and a global custody network for tracking assets held by investment managers in most major countries of the world. This invention will interface with the Trustee's existing systems to produce a seamless service network system. Where adaptations are required, they will need to be customized for the end user.

Detailed Description Text (438):

Continuing to FIG. 35, an "Funded, Third-Party Vesting Sub-Trust" is created by the Master Trust for certain Benefit Replacement Plans. This particular trust is considered funded and defers taxation based on the existence of a vesting schedule. The plan sponsor is not the grantor of this sub-trust, and therefore, avoids the adverse accounting and tax effects of being the grantor. This sub-trust arrangement is the preferred arrangement for most replacement plans. It allows for the portability of the participants' benefits and is easier to administer.

Detailed Description Text (442):

Block 1106 receives Plan Sponsor Data input from the master Trust, Block 986, FIG. 32, for the particular plan that is to be maintained within the sub-trust.

Detailed Description Text (456):

In Block 1134, the sub-trust generates accounting reports to be submitted to the Master Trust, Block 980, FIG. 32. The reports will include a transactions log, accounting reports delineating contributions (principal) and earnings (income), claims and benefit payments logs, and other reports needed to manage the replacement plans. The Sub-Trust Accounting Reports generated will be unique to the system in place and used by the Trustee for the Replacement Plan. The Trustees for this invention are anticipated to be major international financial institutions with established systems and a global custody network for tracking assets held by investment managers in most major countries of the world. This invention will interface with the Trustee's existing systems to produce a seamless service network system. Where adaptations are required, they will need to be customized for the end user.

Detailed Description Text (457):

Continuing to FIG. 36, an "Funded, Third-Party Vesting Sub-Trust with Immediate Taxation" is created by the Master Trust for certain Benefit Replacement Plans. This particular trust is considered funded and makes benefit distributions based on the existence of a vesting schedule. The sub-trust provisions allow for an election to claim the contribution as income to the participant when the trust is funded, under IRC Section 83 (b). The plan sponsor receives an immediate tax deduction when the contribution is made. This sub-trust arrangement is the preferred arrangement for replacement plans that may extend beyond the life of the plan sponsor. It allows for the portability of the participants' benefits and saves the tax deduction for a business entity that is to be dissolved at the end of a project. For example, an oil company may want to use a 10-year vesting plan for the employees of a two-year exploration joint venture. Since the joint venture company will be dissolved before the benefits are paid in 10 years, the company can take the tax deduction currently while the employees receive their benefits in the future. Using this arrangement, the plan sponsor will usually pay the tax for participant that is currently incurred, in exchange for the participant paying the tax on the earnings at distribution.

Detailed Description Text (461):

Block 1156 receives Plan Sponsor Data input from the master Trust, Block 986, FIG.

32, for the particular plan that is to be maintained within the sub-trust.

Detailed Description Text (466):

Block 1166 receives the Income Tax Transactions, which is the plan sponsor's decision to elect immediate taxation, under IRC Section 83(b).

Detailed Description Text (477):

In Block 1188, the sub-trust generates accounting reports to be submitted to the Master Trust, Block 980, FIG. 32. The reports will include a transactions log, accounting reports delineating contributions (principal) and earnings (income), claims and benefit payments logs, and other reports needed to manage the replacement plans. The Sub-Trust Accounting Reports generated will be unique to the system in place and used by the Trustee for the Replacement Plan. The Trustees for this invention are anticipated to be major international financial institutions with established systems and a global custody network for tracking assets held by investment managers in most major countries of the world. This invention will interface with the Trustee's existing systems to produce a seamless service network system. Where adaptations are required, they will need to be customized for the end user.

Detailed Description Text (478):

Turning to FIG. 37, the Revenue Accounting Computer 72 is used to account for the revenue generated by the invention from the various sources. The revenue is based on fees paid by plan sponsors and providers. The Revenue Generating Computer 72 is linked directly with to the Central Digital Computer 2 and communicates with each of the other computer systems for the collection of data. The computer receives data input from each revenue source, applies the agreed revenue formula stored in its database, calculates the division of revenue, issues checks to the appropriate providers, and generates reports detailing the source and division of revenue.

Detailed Description Text (493):

In Block 1228, the Net Premium Amount is forwarded to the insurance carrier to be applied to the policy. For example, the plan sponsor makes a net replacement plan contribution of \$10 million, which is to be invested into a life insurance policy by the Trustee. The contribution is received by the Central Computer, which retains the \$100,000.00 policy fee (1%) and forwards the remaining funds to the insurance company. Otherwise, the total premium is forwarded to the insurance company, which then pays the policy fee directly to the Replacement Plan provider. In this case, the Revenue Accounting Computer 72 calculates the policy fee only for verification of its correct payment.

Detailed Description Text (498):

Block 1238 receives the input number of uses of the Internet Financial Services from Block 512, FIG. 17.

Detailed Description Text (499):

In Block 1240, the revenue from the Internet Financial Services revenue sharing arrangement is used to calculate the expected revenue. It is paid by the service providers.

Detailed Description Paragraph Table (1):

SPECIMEN SAMPLES Table of Contents Fig. Output Reports Specimen 3 Replacement Plan Illustration 1 9 Plan Sponsor Administration Guide 2 14 Participant's Statement of Account 3 Plan Sponsor Asset Allocation Report 4 Plan Sponsor Payment Summary 5 Plan Sponsor Asset/Liability Comparison 6 Plan Sponsor Contribution Confirmation 7 Participant's Hypothetical Fund Performance Report 8 Participant's Transaction Confirmation Statement 9 17 Private Banking Internet Services Offering 10 20 Asset Reconciliation Report 11 21 Trustee's Cash Value Reports 12 Plan Sponsor's Cash Value Report 13 Offshore Group PPVUL Product Specifications 14 17 Strategic Investment Plan - Internet Services Offering 15

Other Reference Publication (13):

Anon., Franchising World, vol. 28, No. 4, pp. 30-33, "My Favorite Franchise Web Sites," Jul./Aug. 1996.*

Other Reference Publication (15):

Goldberg, W.J., et al., Journal of Financial Planning, vol. 10, No. 1, pp. 24-28, "Life Insurance with Retirement Plan Assets," Feb. 1997.*

CLAIMS:

4. The method of claim 3, further including providing Internet-based computerized banking service in response to data communicated over the Internet to a banking service computer, the data confirming an identity for a participant receiving the replacement.

5. The method of claim 3, further including providing Internet-based computerized investment service in response to data communicated over the Internet to an investment service computer, the data confirming an identity for a participant receiving the replacement.

6. The method of claim 3, further including providing Internet-based computerized financial planning service in response to data communicated over the Internet to a financial planning service computer, the data confirming an identity for a participant receiving the replacement.

7. The method of claim 3, further including providing Internet-based computerized relocation service in response to data communicated over the Internet to a relocation service computer, the data confirming an identity for a participant receiving the replacement.

8. The method of claim 3, further including providing Internet-based computerized estate planning service in response to data communicated over the Internet to an estate planning service computer, the data confirming an identity for a participant receiving the replacement.

9. The method of claim 3, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

12. The method of claim 11, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

14. The method of claim 13, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

16. The method of claim 15, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

18. The method of claim 17, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

20. The method of claim 19, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

24. The method of claim 23, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

26. The method of claim 25, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

27. The method of claim 5, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

28. The method of claim 21, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

30. The method of claim 29, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

31. The method of claim 10, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

32. The method of claim 2, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

34. The method of claim 33, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

35. The method of claim 34, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

37. The method of claim 36, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

39. The method of claim 38, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

41. The method of claim 40, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

42. The method of claim 33, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

45. The method of claim 44, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

47. The method of claim 46, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

49. The method of claim 48, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

50. The method of claim 43, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

51. The method of claim 50, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

52. The method of claim 43, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

55. The method of claim 54, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

57. The method of claim 56, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective

participants in the replacement.

59. The method of claim 58, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

60. The method of claim 53, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

61. The method of claim 60, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

62. The method of claim 53, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

65. The method of claim 64, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

67. The method of claim 66, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

69. The method of claim 68, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

70. The method of claim 63, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer or the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

71. The method of claim 70, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

72. The method of claim 63, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

75. The method of claim 74, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

77. The method of claim 76, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

79. The method of claim 78, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

80. The method of claim 73, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

81. The method of claim 80, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

82. The method of claim 73, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

85. The method of claim 84, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

87. The method of claim 86, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

89. The method of claim 88, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

90. The method of claim 83, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

91. The method of claim 90, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

92. The method of claim 83, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

95. The method of claim 94, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

97. The method of claim 96, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

99. The method of claim 98, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

100. The method of claim 93, wherein the step of engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for a replacement for the benefit plan, the replacement being viable at the replacement plan location, includes engaging the digital electrical computer for the processing of the input data into the output data, the output data corresponding to characteristics for the replacement for a retirement plan as the benefit plan.

101. The method of claim 100, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

102. The method of claim 93, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

104. The method of claim 103, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

106. The method of claim 105, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

107. The method of claim 1, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective

participants in the replacement.

110. The system of claim 109, wherein:

said at least one other computer respectively includes a memory device storing additional input data corresponding to said benefit plan, a computer-to-computer communication device, an input device for obtaining the additional input data, and a processor programmed to control the at least one other computer, and a printing device for generating additional documentation at a location proximate to said at least one other computer;

the at least one other computer includes a plan sponsor accounting computer programmed to control accounting of payments for the replacement in accordance with the illustration; and

said additional documentation includes a reporting of said accounting payments.

133. The system of claim 109, wherein:

said at least one other computer respectively includes a memory device storing additional input data corresponding to said benefit plan, a computer-to-computer communication device, an input device for obtaining the additional input data, and a processor programmed to control the at least one other computer, and a printing device for generating additional documentation at a location proximate to said at least one other computer;

the at least one other computer includes a plurality of replacement plan participant's computers respectively programmed to communicate data over the Internet to obtain replacement plan participant reports and asset allocation data for the participant's liability accounts in accordance with the illustration; and

said additional documentation includes a reporting of the reports and asset allocation data.

138. The system of claim 109, wherein:

said at least one other computer respectively includes a memory device storing additional input data corresponding to said benefit plan, a computer-to-computer communication device, an input device for obtaining the additional input data, and a processor programmed to control the at least one other computer, and a printing device for generating additional documentation at a location proximate to said at least one other computer;

the at least one other computer includes a revenue accounting computer respectively programmed for computing at least one of the fees from the group consisting of participation fees, plan administration fees, co-trustee fees, insurance policy fees, reinsurance participation fees, investment management trailer fees, and Internet usage fees in accordance with the illustration; and

said additional documentation includes a reporting of calculations for the fee, in accordance with said illustration.

143. The method of claim 142, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective

participants in the replacement.

146. The method of claim 145, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

149. The method of claim 148, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

150. The method of claim 147, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

152. The method of claim 151, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

154. The method of claim 153, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of:

providing an Internet communication accessible to computers of respective participants in the replacement.

156. The method of claim 155, wherein:

the step of generating is carried out with the replacement being a replacement effective in more than one nation; and

further including the step of;

providing an Internet communication accessible to computers of respective

participants in the replacement.

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